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SAVINGS & INVESTMENTS p8 Election hedging

TRAVEL THE CANARY ISLANDS Volcanic Lanzarote p11

FEATURES POLITICS TODAY p16 The gaps in the manifestos
p17 TRAFALGAR HOUSE and P&O The City braces for a battle

WINE p15 The 1982 clarets

BOOKS The miracle of Dunkirk re-examined p12

NEWS SUMMARY

GENERAL

Several injured in prison clashes

Prisoners at the high security Albany jail on the Isle of Wight kept up a roof-top protest after what the Home Office called a "serious disturbance."

Several prisoners were injured and a prison officer suffered a broken jaw after inmates clashed with special "snatch squads" of staff.

One of the wings was out of action, but the Home Office said the perimeter was secure.

Vatican denial

The Vatican announced that Papal envoy Archbishop Heim's attack on CND was "strictly personal," with no official backing.

Smith leaves

Former Rhodesian premier Ian Smith left Zimbabwe for medical treatment in South Africa.

Dioxin move

Swiss chemical company Hoffmann-La Roche launched legal proceedings against a waste-management company over a contract to remove dioxin waste. Page 2

U.S. 'impatience'

The U.S. Reagan Administration is growing increasingly impatient with French criticism of its economic policies. Back Page

Sakharov plea

Yelena Bonner, wife of Soviet dissident Andrei Sakharov, said she and her husband had serious heart ailments and appealed for medical treatment.

Multi-Guarantee

Multi-Guarantee, which managed an extended warranty scheme to household goods manufacturers and retailers, was put into liquidation at the request of its shareholders.

Bases strike over

A three-day stoppage by employees at U.S. military installations in Greece ended after clashes between strikers and military personnel.

BBC hits peak

BBC's Breakfast Time hit a new peak of 2m viewers in the week to May 15, while TV-am's share stayed at 200,000.

Soccer decision

The International Federation of Football Associations unanimously decided to stage the 1986 World Cup in Mexico.

Clamp on justice

A group of 18 Italian magistrates and lawyers found their cars immobilised by wheel-clamps after a visit to Marlborough Street Magistrates' Court, London.

Briefly . . .

Prince Philip arrived in Zimbabwe for the Commonwealth Royal Agricultural Society conference.

Spain: two bombs exploded in Basque town of Hernani.

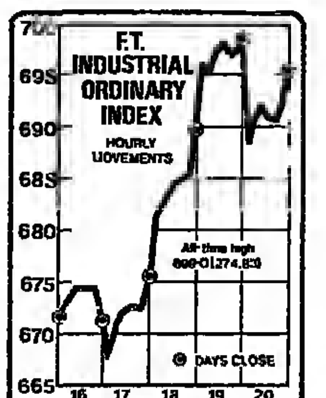
Taxi drivers strike halted Rome traffic.

BUSINESS

Repair work hits N. Sea revenue

● GOVERNMENT oil revenues were cut by over £45m last month because of a drop in North Sea production, according to Royal Bank of Scotland figures. Production was hit by maintenance work on the Forties and Brent fields. Page 3

● EQUITIES fell early but rallied as Dunlop shares rose sharply on revived bid talk. The



FT Industrial Ordinary Index, down 10.2 at the first calculation, closed a net 3.2 lower at 695.2. Page 24

● GILTS eased in quiet trade. Page 24

● STERLING rose 20 points to $1.556. It firmed to SwFr 3.2275 (SwFr 3.22) but eased to DM 3.8525 (DM 3.8855), FFr 11.56 (FFr 11.565) and Y364 (Y364.5). Its trade-weighted index was 84.1 (83.9). Page 21

● DOLLAR slipped to DM 2.4765 (DM 2.4785), FFr 7.43 (FFr 7.4435) and Y233.9 (Y234.45) but rose to SwFr 2.074 (SwFr 2.071). Its trade-weighted index was 122.7 (122.6). Page 21

● GOLD lost $1 to $439.5 in London. In New York the Comex May settlement was $437.2 ($438.3). Page 21

● WALL STREET was down 3.19 to 1,188.18 near the close. Page 20

● U.S. COMMERCE Secretary Malcolm Baldrige proposed that U.S. officials and businessmen should participate directly in the formation of policies for Japan's declining industries. Page 2

● PLESSEY is to make over 400 redundant at its Edge Lane, Liverpool, plant. Page 3

● BRITISH AIRWAYS and British Caledonian failed to block the $1.7bn (£1.09bn) anti-trust and conspiracy action brought against them in the U.S. by Laker Airways' liquidator. Page 3

● MONOPOLIES and Mergers Commission is to investigate the proposed £56m take-over bid from Pleasurama for Trident Television in what is expected to become a wide-ranging review of the gaming industry. Back Page

● RICOH, Japanese paper copier and business machine maker, reported a 34 per cent fall in net profits at parent company level to Y6.3bn (£17.3m) in the year to March. Page 23

● DEBENHAMS, department stores group, reported pre-tax profits down from £27m to £19.6m in the year to January 29. Page 18; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
AMEC	219	+ 7
Avon Rubber	113	+ 5
Carlton Coms	253	+ 13
Country & N Town	66	+ 5
Dunlop	77	+ 14
HB Electronic	90	+ 7
Hepworth (J.)	163	+ 6
House of Fraser	222	+ 14
ICL	72	+ 4
London & Northern	80	+ 7
Ocean Transport	116	+ 7
Ruberoid	290	+ 17
Sainsbury (J.)	392	+ 7
Steetley	197	+ 11
Tate & Lyle	344	+ 10
UBM	85	+ 5
Unigroup	72	+ 4
Utd Guarantee	32	+ 3
Westland	137	+ 12
Hampton Areas	190	+ 6
Sabina Inds	180	+ 10
FALLS:		
Beecham	387	− 8
Boots	229	− 5
Courtaulds	96	− 6
GEC	215	− 7
Lon Liverpool Tst	152	− 18
Marchwiel	194	− 7
Redfearn Nat Glass	90	− 10
Thorn EMI	515	− 13
Trident TV A	79	− 7
Unilever	700	− 20
Wearwell	57	− 5
Whessoe	122	− 8
Ultramar	545	− 10
Deelkraal	282	− 14
Kloof Gold	£33¼	− 1½
Pres Brand	£32	− 1½
S African Land	545	− 21

Rush hour bomb in Pretoria kills 13 and injures 130

AT LEAST 13 people were killed and up to 130 were reported injured in South Africa's most dramatic incident of urban terrorism when a bomb exploded in the centre of Pretoria during yesterday's afternoon rush hour, writes J.D.F. Jones in Johannesburg.

The bomb had apparently been placed in a car in the car park of a city centre office block occupied by the headquarters of the South African Air Force. Other buildings were also damaged, including the nearby headquarters of South Africa's Military Intelligence.

The area was sealed off by police and full details were not immediately released, but many of the casualties were pedestrians who had been leaving their offices and shops for the weekend.

Mr Louis le Grange, the Law and Order Minister, claimed that the attack had been carried out by the banned African National Congress (ANC), the movement seeking to overthrow white rule in South Africa. No claim of responsibility was immediately made, although it is ANC policy to concentrate its attacks on the officials and installations of apartheid.

Mr le Grange described the attack as "the biggest and ugliest anti-white act of sabotage in South Africa." He said most of the victims were civilians, but some were air force personnel, black and white.

Gen Magnus Malan, the Defence Minister, told Parliament meeting in Cape Town that the explosion was "a cowardly, criminal deed in the communist war being waged against South Africa."

There have only been about a dozen sabotage incidents announced in South Africa so far this year, compared with 30 last year, and 52 in 1981. The last major incident was a bomb in a Bloemfontein pass office which killed three blacks and wounded about 75.

The significance of yesterday's explosion lies not only in the number of casualties but also in the boldness of the incursion into the heart of the capital.

The ANC has in the past been thought to prefer to steer clear of indiscriminate terror in which the victims would be seen as "innocents."

The preferred policy has apparently been to attack government buildings—police stations, military bases, railways, electricity sub-stations. It has been suggested, however, that officials working for, or in defence of, the apartheid government are not "innocent."

This line of thinking presumably lies behind a decision to explode a bomb in a military headquarters even though that building is in the middle of a town, putting pedestrians, both black and white, at risk.

Annual inflation rate lowest for 15 years

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE ANNUAL inflation rate fell to 4 per cent in April, the lowest since April 1968 when Mr Roy Jenkins was Chancellor in the Labour Government.

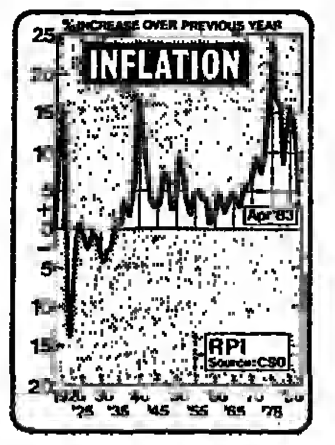
The April rate, published officially yesterday, is a third of the figure 15 months ago, and is almost exactly equal to the average annual rate of inflation in the 25 years after the Second World War from 1945 to 1970.

There was also a further encouraging indication, from separate figures out yesterday, that a general recovery of the economy will continue for at least a year.

The Treasury's economic indicators, intended to predict activity six months and 12 months ahead, both moved up strongly in April. The indicator which reflects the current state of the economy continued the steady rise started in May 1981.

This followed the news on Thursday that national output in the first three months of the year rose by ¾ per cent on the previous three months and will encourage the Government in its hope that a period of modest "non-inflationary growth" has started.

However, the difference between yields on conventional and index-linked stocks currently suggests that the financial market's crude expectation of the annual rate of inflation over the next decade is about 7½ per cent.



The Treasury is predicting that inflation will rise towards the end of the year to an annual rate of about 6 per cent. However the May figure, to be announced after the election, is expected to be a low one.

In April, the Retail Price Index was 332.5 (January 1974=100), a rise of 1.4 per cent compared with March. This rise reflected the Budget tax increases as well as rent and rates rises. However, those increases were less than those a year earlier, so the annual inflation rate fell from the 4.6 per cent recorded in March.

Hopes for a sustained fall in the inflation rate now depend largely on the prospect for a slow down in wage rises. The underlying annual rate of increase in earnings in March was

Continued on Back Page
Editorial Comment, Page 16

Thatcher may expand staff

BY PETER RIDDELL, POLITICAL EDITOR

MRS MARGARET THATCHER is likely to expand her staff in Downing Street if the Tories win the election, though she will almost certainly stop short of creating a formal Prime Minister's department.

The Prime Minister is considering a number of changes to the structure of Government, though no final decisions have been taken. They include an expansion in the number of advisers in Downing Stret, to provide a direct link with the rest of Whitehall, and the absorption of the Rayner unit on Civil Service efficiency into the Downing Street machine. She will also consider the merger of the Departments of Trade and Industry, with some of the functions being transferred elsewhere in Whitehall.

Mrs Thatcher has been reluctant over the past four years to make many changes in Whitehall structure because she feels such reorganisation distract civil servants from the problems of the day. However, she is known to have considered some changes and she may regard the aftermath of a general election victory as the right time to make them.

In particular, Mrs Thatcher has argued that her office staff in Downing Street needs to be increased both to deal with the much greater workload and to provide antennae throughout Whitehall on sensitive policy issues.

Mrs Thatcher has, however, so far rejected the idea of establishing a department along the lines of the Prime Minister's department in Australia and the White House in the U.S., with their big staffs. She fears such a department might become so large that it could lose the close personal relations inherent in the traditional working of Downing Street.

Consequently, any changes are likely to involve only a small increase both in the Downing Street secretariat and in the number of special policy advisers such as Sir Anthony Parsons on foreign affairs and Professor Alan Walters on economic issues.

Mrs Thatcher has repeatedly stressed the need to continue to improve Civil Service efficiency. Lord Rayner is no longer involved directly with the unit which bears his name, but it still exists with a staff of just over a dozen under Mr Clive Priestley in the Management and Personnel Office. Mrs Thatcher is thinking of transferring the unit under her direct control to maintain its momentum.

The possibility of merging the Departments of Trade and Industry has been urged for

Continued on Back Page

£ in New York

	May 19	Previous
Spot	$1.5545-5555	$1.5535-5550
1 month	0.18-0.16 dis	0.19-0.17 dis
3 months	0.46-0.42 dis	0.48-0.44 dis
12 months	1.32-1.25 dis	1.38-1.33 dis

Owen makes strange omission

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

DR DAVID OWEN, deputy leader of the Social Democratic Party, yesterday delivered a powerful attack on the Labour Party, drawing attention to "uncanny" similarities between Labour and Communist policies.

In what appears an extraordinary omission, the text of his speech at a public meeting in Grimsby contained not a single reference to the SDP, the Liberal Party or the Alliance. Instead, it concluded: "Despite Mrs Thatcher's appalling record over unemployment and the fact that of any Prime Minister since the war she is the one least interested in disarmament, the majority of the electorate still feel that as an alternative, the Labour Party is not fit to govern."

Dr Owen's speech contrasted markedly with those of other Alliance leaders, who, despite the Alliance's poor showing in the polls, still appear to believe in the possibility of being able to form a government.

Mr David Steel, the Liberal leader, speaking in Chelmsford, conceded that it would be hard for voters to support the Alliance to "choose the new and difficult path". But he added: "I hope that the electors will have the courage to vote for the country's real needs, even though they may not be simple and easy."

Mr Roy Jenkins, the SDP leader, said in Glasgow that the slanging match between the two main parties, "insulted the intelligence of the electorate," and underlined the need for a new deal.

Recently, Dr Owen has been noticeably less optimistic than his Alliance colleagues. On Wednesday, speaking on TV-am breakfast television, he conceded that the Alliance was more likely to hold the balance of power than to win a majority. He suggested its role in the next Parliament was likely to be a "moderating" one, to "curb and moderate and influence the future government."

Yesterday, pointing to similarities between the Labour and Communist election manifestos, in wording as well as policy, Dr Owen said it was no wonder the Communists were urging people to vote Labour where there were no Communists standing. Once, the Labour Party would have shuddered at being endorsed in this way. Now, many disillusioned Labour voters were saying that the Labour Party had moved to the Communists.

"There was once a time when the people who could be guaranteed to fight back against

Continued on Back Page
Other election news, Page 4
Election hedging, Page 8
Politics Today, Page 16

Courtaulds to make £71m rights issue

BY DOMINIC LAWSON AND ANTHONY MORETON

COURTAULDS is calling on shareholders to raise £71m through a rights issue to finance expansion, principally in the U.S. Mr Christopher Hogg, the chairman, said yesterday that while there was no immediate American investment in view, "We shall certainly not let the money burn a hole in our pockets."

At the same time as announcing the one-for-three rights issue at 78p a share, the company—Britain's biggest textile group—also reported pre-tax profits up to £63.3m for the year to March 1983, from £51.1m, on a turnover up 6.5 per cent at £1.9bn.

Courtaulds' UK trading profits almost doubled from £18.5m to £35.5m in the year just ended.

The share price, which had advanced to a four-year high of 102p ahead of the profits and rights issue announcement, fell 7p to close at 95p last night.

The improvement in trading profits was achieved, according to the company, "in the face of intensified recession in almost all overseas markets and continued poor trading in the UK." However, there have been signs in the first three months of this year—the last quarter of the company's financial year—of a pick-up in UK textile activity. This has also been the experience of a number of other textile concerns.

The company made it plain yesterday that it was seeking to "broaden the scope of our activities in areas of growth outside textiles and to achieve a more balanced spread of operations geographically."

But Mr Hogg emphasised yesterday that Courtaulds would not abandon its traditional textiles base.

A year ago Courtaulds appointed Mr Ed Barr, a former president of Sun Chemical Corporation, in the US, to head its American operations. He joined the board three weeks ago.

Shareholders may apply for the new shares up to June 15.

Rationalisation of the company's operations which has seen the UK workforce drop from over 85,000 in 1980 to about 56,000, has taken a severe toll on Courtaulds shareholders' funds which have fallen from £499m to £345m over the past three years.

Details, Page 18
Lex, Back Page

People Express to start ticket sales

By Michael Donne, Aerospace Correspondent

PEOPLE EXPRESS, the low-fare U.S. airline, plans to start its £99 single transatlantic air service between London Gatwick and New York (Newark, New Jersey) next Friday, confident that it will be given UK Department of Trade permission.

The approval had not been granted by late yesterday, although Mr Harold Pareti, secretary and a managing officer of the airline who flew into London on Thursday night, had extensive telephone conversations with Department of Trade officials during the day.

Mr Pareti said all indications were that UK approval would be given in time for flights to start—the U.S. Civil Aeronautics Board has already approved the service—and that it was time to take a commercial decision to open reservations. "We are being flooded with inquiries," said Mr Pareti.

People Express intends to open bookings on Monday in the UK, offering seats in its Boeing 747 flights from Friday at £99 single (£198 return), for economy class, and £291 single (£582 return) for "premium class," equivalent to other airlines' business class.

These will be the lowest scheduled air fares on the North Atlantic. The current cheapest London-New York scheduled return is £329 for an advanced purchase excursion (Apex) ticket, and £876 return for a normal business class ticket.

The People Express 747 will make five flights each way a week from Gatwick (daily except for Wednesdays and Thursdays). There will be 470 seats on each flight—70 premium class and 400 economy.

An extra charge will be made for all in-flight meals and refreshments. Baggage carried in the hold will be charged at £2 an item.

People Express will offer cheap onward flights to destinations on its system in the U.S. The single rate from London to Baltimore, Boston, Washington, Atlantic City, Pittsburgh, Syracuse, Buffalo, Burlington, Hartford, Portland and Norfolk will be £110 economy and £296 for premium class.

Airlines fail to block Laker action, Page 3

CONTENTS

For latest Share Index phone 01-246 8026

Syrian envoys to seek Arab support

DAMASCUS — Syria yesterday accused Washington of trying to split Arab countries and said it would send envoys to win Arab support for its stance against a U.S.-backed Israeli-Lebanese agreement on troop withdrawal.

The move appeared to be in response to the decision of President Amin Gemayel of Lebanon to send officials to Arab capitals to try to gain backing for the agreement.

Syria has effectively blocked the deal by refusing to accept it as a basis for withdrawing its forces from Lebanon. Israel says it will not pull out unless Syrian and Palestine Liberation Organisation forces go too.

Damascus Radio said Mr Ahmed Iskandar Ahmed, the Information Minister, and Mr Farouk al-Shar, Foreign Affairs Minister of State, would leave Damascus today carrying messages to Arab leaders.

President Reagan's special envoy, Mr Philip Habib, arrived in Cairo last night for talks following his discusions with Saudi leaders. The Syrians refused to receive Mr Habib, saying there is nothing to talk about. Egypt has supported the troop withdrawal pact.

The Washington officials insisted yesterday that the U.S. has made no agreement with Israel condoning preemptive military strikes against Lebanon or other countries.

They were commenting on reports that, in a secret agreement, the U.S. had accepted Israel's right under international law to use force if attacked by "terrorists" based in Lebanon.

The U.S. Administration has lifted an embargo on the sale of 75 advanced F-16 jet fighters to Israel, imposed after Israel invaded Lebanon almost a year ago. The cost of the package is about $2.7bn.

An official in Tel Aviv said Israel was happy and relieved at the end of the U.S. embargo on the sale of F-16 warplanes, but still thought the punishment was unjust.

"We really believe this is a symbol for a new page in relations between Israel and the U.S.," he said.

● Mr Yassar Arafat, PLO leader, was quoted yesterday as saying Israel had massed five military divisions in Lebanon and he expected "big events" in the next few days.

Agencies

HOFFMANN LA ROCHE BLAMES TRANSPORT GROUP

Row grows over dioxin discovery

BY PAUL BETTS IN PARIS

HOFFMANN-LA ROCHE, the Swiss multinational chemicals company, yesterday accepted responsibility for the Seveso toxic waste discovered in an abandoned slaughterhouse in northern France on Thursday, but accused Mannesmann, the West German transport company, of breaching the terms of the contract for its disposal.

Two senior Hoffmann-La Roche executives told a Press conference in Paris that legal proceedings were being started against Mannesmann's Italian subsidiary. The Swiss company paid Mannesmann Italiana L111m (£50,000) for removing the 41 containers of dioxin-contaminated waste, which the popular Press in France are now calling "The Containers of Shame."

Dr Andre Futterknecht, head of Hoffmann-La Roche's technical and manufacturing operations, acknowledged that the containers were discovered in appalling condition. He said the company would now work with the French authorities to dispose safely of the toxic material.

The best solution, he said, was to incinerate the dioxin waste. There were five or six possible plants in Europe capable of doing the job, he added. The problem has never been a technical one, he claimed.

"It's the Seveso label that's been the problem," he said, referring to the town outside Milan where the chemical explosion occurred in the summer of 1976 at the Swiss company's Icmesa plant. No one so far has wanted to handle the Seveso waste because of fears of possible political and local repercussions.

The affair has become a major scandal in France. The military have now temporarily stored the 41 containers in a military compound.

The Swiss executives said the Italian authorities had asked them to accept the Mannesmann contract to "export" the Seveso waste out of the country. But Mannesmann insisted on keeping secret where the eventual dump site was to be. Because of the size and reputation of the West German group, Hoffmann-La Roche said it trusted Mannesmann and agreed to the terms.

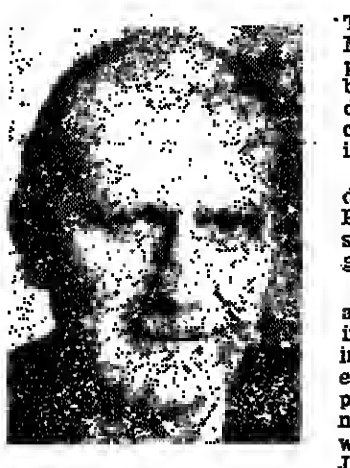
Mannesmann hired a third party to store the waste temporarily in France while it organised a permanent site. According to the Swiss executives, this was believed to have been East Germany.

John Phillips reports from Rome: The Italian civil defence minister has suggested that the dioxin waste be destroyed in Britain, re-iterating that Italy Britain, reiterating that Italy back the toxic material.

Noting that "there are English companies that would be willing to burn the dioxin-based waste under strict security conditions," Sig Loris Fortuna said Italy was prepared to co-operate if "our French cousins" make a request for assitance in transporting the waste to Britain.

U.S. seeks role in Japan's industrial policy

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO



Mr Malcolm Baldrige

The U.S. Commerce Secretary, Mr Malcolm Baldrige, has proposed that U.S. officials and businessmen should participate directly in the formation of policies for Japan's declining industries.

The proposal was made yesterday during a meeting with Prime Minister Yasuhiro Nakasone and was said to have been greeted with "interest."

Mr Baldrige apparently argued that U.S. involvement in Japanese policies for declining industry would make it easier for U.S. companies to propose joint ventures or technical collaboration projects which might ultimately benefit Japan.

Japan has been struggling during the last year or so to prevent the collapse of energy-intensive basic materials industries, such as petrochemicals, aluminium and paper and pulp.

The usual "cure" for such ailing industries has been a capacity scrapping programme drawn up under the guidance of the Ministry of International Trade and Industry.

Miti officials have repeatedly denied that the existence of a Government-inspired rationalisation programme for declining industries implies any intention by Japan to restrict imports, but the U.S. is known to be sceptical on this point.

U.S. officials travelling with Mr Baldrige said yesterday that they found it "logically inconsistent" for Japan to try to shrink the capacity of a domestic industry such as petrochemicals without having some "planned level" for imports in mind.

The officials claimed that Japanese trading companies and industrial associations co-operate with the Government to ensure that "planned" levels are not exceeded.

U.S. exporters have been the main beneficiaries of the difficulties experienced by several of Japan's declining industries over the past year but not to the extent that the Administration evidently feels might have been justified by differences in production costs. U.S. officials blame Japanese "industrial policy" for this situation.

EEC acts on steel dumping

By Paul Cheeseright in Brussels

THE EEC's DEFENCES against the sale of low-cost steel by foreign producers have been stiffened by imposition of definitive anti-dumping duties on the import of Brazilian iron or steel sheets and plates more than 3mm thick.

The amount of the duty is ECUs 72.20 (£42.52) a tonne, the Commission said yesterday.

Tokyo export agency makes loss

BY CHRISTIAN TYLER, WORLD TRADE EDITOR

JAPAN'S EXPORT insurance agency has declared its first loss for 16 years, the Ministry of International Trade and Industry (Miti) has confirmed.

As expected, Miti's export insurance department was nearly Y9bn (£25m) in the red for the 1982-83 year just ended. More losses are expected in the present financial year.

These results, from one of the most cautious and broadly-based export insurers in the world, underline the seriousness of the international debt problem of the past two years.

Miti paid out about Y62bn last year on claims from Japanese exporters, an increase of nearly 68 per cent. Premium income was only 13 per cent higher, at about Y37bn, according to reports from Tokyo.

The Japanese agency is one of eight of the world's 13 major export insurers to be running at a loss at present because of payments problems in the debt-laden countries of Eastern Europe, Latin America and Africa.

Insurance premiums are being raised by between 20 and 40 per cent, but Japan's export credit cover is likely to remain among the cheapest anywhere. The dearest rates are in the U.S. and Scandinavia.

The agency is believed to have stopped insurance completely on 15 countries and placed restrictions on about 80 countries.

Italian parties field 'new faces'

BY JOHN PHILLIPS IN ROME

ITALIAN party leaders are trying to overcome widespread public apathy at the prospect of general elections next month by fielding some popular candidates from outside the ranks of professional politicians.

The latest acquisition by the Christian Democrats is Sig Dino Viola, chairman of the Roma Soccer Club, which has captured Italians' imaginations by winning the national championship for the first time in 42 years.

Sig Viola will run as an independent candidate on a Christian Democrat slate which includes such other celebrities as Sig Franco Zeffirelli, the film director.

However, the tiny Liberal Party's efforts to persuade the Duke of Aosta, whose uncle was the late King Umberto II, to run on their behalf, are understood to have failed.

This followed the decision by Sig Vittorio Mussolini, the son of the dictator, not to run for the neo-Fascist Italian Social movement.

Sir Ciriaco de Mita, the Christian Democrat secretary, is known to believe that the fielding of the new faces — expected to include the head of the Italian police trade union and Sig Achille Callucci, a prominent magistrate — may provide the party with an image that could earn votes.

Russian fighter favoured by Indian planners

BY K. K. SHARMA IN NEW DELHI

INDIA'S plans to manufacture fighters are expected to return to preference for Russian aircraft when an exercise involving defence requirements and financial considerations is completed soon.

Indications are that the Defence Ministry is to choose as the main aircraft the latest MiG-27. This will be manufactured in three plants of Hindusthan Aeronautics at Bangalore, Nasik and Koraput orginally established to make the MiG-21 and its successor, the MiG-21bis.

Tooling up the plants for the MiG-27, the most sophisticated of the fighters made by Russia, has started and the first fighter should be in service within a few years. Until then, the Air Force's needs will be met mainly by MiG-23 and MiG-25 aircraft, which are being bought outright from the Russians to replace the two generations of the now obsolete MIG-21S.

The main casualty of this decision will be plans to manufacture the French Mirage 2000. The Government last year decided to buy 40 Mirage 2000 and took an option to manufacture more under licence.

Financial constraints have come in the way of this. The Mig-27 would cost just 25 per cent of the French plane.

A decision on future aircraft will take into account plans for the development of a new light combat aircraft by Hindusthan Aeronautics. It has developed a fuel-efficient gas turbine engine, but a frame has to be found. Talks on foreign collaboration for this have been held and the main contender is British Aerospace. An early decision is unlikely.

British Aerospace has agreed to a change in a contract for the Jaguar, which is no longer to be manufactured by Hindusthan Aeronautics as planned. The decision is to import 45 Jaguars from British Aerospace in flyaway condition and another 75 in kits for assembly by Hindusthan Aeronautics.

Turks form three new political parties

Three political parties were founded in Ankara yesterday, bringing the total established since the recent lifting of the military ban on political activity to four, our Ankara Correspondent reports. Mr Turgut Ozal, a former Deputy Prime Minister, set up the Motherland Party; Mr Husamettin Cindoruk, an Istanbul lawyer, the Great Turkey Party, which is expected to have the backing of Mr Suleyman Demirel, the Prime Minister ousted by the 1980 military coup, and Mr Necdet Calp, till March Undersecretary at the Prime Minister's Office, a populist party.

Fears for recovery

Trade unionists from over 90 countries yesterday sought to pour cold water on the growing optimism in the West about the prospects of an international economic recovery this year, **Paul Cheeseright reports from Brussels.** The International Confederation of Free Trade Unions (ICFTU) doubts whether the incipient recovery can be sustained.

In its annual review, prepared to influence first the Williamsburg economic summit later this month and later the sixth meeting of the UN Conference on Trade and Development, the ICFTU chastises the economic policies of the U.S., the UK, West Germany and Japan.

Walesa adviser held

Mr Bronislaw Geremek, 51, an historian and a senior adviser to Mr Lech Walesa, leader of the banned Solidarity union, has been arrested on charges of organising an illegal meeting and spreading "misinformation" about Poland, AP reports from Warsaw.

Siemens satellite deal

The West German Government announced yesterday that it had reached agreement with an electronics consortium led by Siemens AG on constructing a DM1bn (£275m) satellite communications system, Reuter reports from Bonn.

Australian job cuts

Australia's largest motor manufacturer, General Motors Holden's, yesterday announced it is to shed a further 2,800 workers—1,500 from its plant in South Australia and the remainder at its Fisherman's Bend factory in Melbourne, Colin Chapman reports from Sydney. The move is part of a major rationalisation.

Ian Smith flies out

Mr Ian Smith, 63, the former Rhodesian Prime Minister, left Zimbabwe for medical treatment in South Africa yesterday, Reuter reports from Harare.

Salvador peace bid

The Foreign Ministers of Guatemala, Costa Rica, Honduras and El Salvador yesterday endorsed continuing attempts to find a regional solution to the violence in Central America, AP reports from San Salvador.

Greek air protest

Greece protested to the U.S. yesterday over alleged violations of its air space by U.S. and Turkish aircraft during a Nato exercise and said the incident could hinder talks on the future of U.S. military bases in Greece, Reuter reports from Athens.

Japanese VTR boost

Japanese video tape recorder (VTR) manufacturers are revising their production projections this year to at least 15m sets from the original 14m, a spokesman for Matsushita Electric Industrial said yesterday, Reuter reports from Tokyo. The increase follows better-than-expected domestic sales and exports to the U.S. in the first quarter of this year.

Noumea fears calmed

Fears of renewed violence in New Caledonia over demands by native Melanesians for independence were eased yesterday when France's latest plans for the South Pacific territory were outlined, local politicians said, Reuter reports from Noumea.

The proposals include a Paris conference on the problem recognition of rights of the Melanesians and continuing reform of land laws.

Governor optimistic on talks over Hong Kong's future

BY ROBERT COTTRELL IN HONG KONG

SIR EDWARD YOUDE, Governor of Hong Kong, yesterday offered an optimistic view of the talks between Britain and China over the territory's future, saying that they were "moving in the right direction."

He added that he would "certainly be looking for progress in 1983," and implied he expected to be going to Peking this year to take part in further talks.

Sir Edward's remarks, made in a broadcast interview marking his first anniversary in office, are the most substantial news Hong Kong has so far heard about the confidential talks.

They are likely to reinforce local belief that, after months of apparently occasional and procedural meetings, Britain and China are drawing closer to substantive discussion of how the status of Hong Kong will be resolved when Britain's lease over most of the colony expires in 1997.

Sir Edward said he could not put a likely date on any settlement, and counselled patience to the people of Hong Kong. He said their views were being taken fully into account, and that Britain's aim was a "settlement acceptable to China, the UK and the people of Hong Kong."

The British position would not be said, be affected by the general election.

Some analysts believe progress in the talks over Hong Kong's future lies in defusing the symbolic importance of sovereignty over the territory, effectively by acknowledging an eventual reversion of sovereignty to China.

This could clear the way for discussions on how best in practice to achieve the declared joint Sino-British aim, the preservation of Hong Kong's "stability and prosperity."

China has said it wants Hong Kong people to manage their own affairs under Chinese sovereignty. Britain is thought to want satisfactory guarantees that such autonomy would not in the long term be undermined by Peking.

● In London, Lord Maclehose, who was governor from 1971 to 1982, warned of the problem of convincing the world of international finance and investment that any agreed package would last.

"I think that if the anxiety of Hong Kong people and investors is to be removed, some way must be found to assure them that acceptable new arrangements, once made, will not be interfered with," he said in a lecture in London.

Hong Kong banks raised the local prime lending rate two percentage point to 13.5 per cent yesterday in a bid to shore up the sinking local currency, writes Robert Cottrell. The Hong Kong dollar breached the psychologically-important level of HK$7 to the U.S. dollar—a record low—on Wednesday and fell further on Thursday before recovering strongly yesterday to HK$6.94 in local trading and HK$6.90 in London.

Dealers attributed yesterday's recovery to some early government intervention, coupled with firming local expectations of an increase in interest rates.

Outcry greets French plan to impose surgery charges

BY DAVID HOUSEGO IN PARIS

THE IMMENSE problems the French Government faces in making cuts in the social security programme have been demonstrated by the outcry which has greeted a proposal for hospital patients to contribute to surgery charges.

The proposal was made by M Pierre Beregovoy, the powerful Social Security Minister, as one way of financing a renewed deficit in the social security budget.

M Beregovoy has suggested that patients should contribute 20 per cent to the cost of surgery which at the moment is borne entirely by the social security fund. The proposal has not been endorsed by the government.

The Communist daily L'Humanite carried a banner headline yesterday declaring: "Social security system called into question." Below it quoted M Andre Lajoine, head of the Communist group in the National Assembly, as saying the Communists "would never accept the imposition of surgery fees."

The Communist-led CGT union said there "could be no question of accepting measures that, once again, hit wage earners."

The Communists, who have become increasingly critical of the austerity measures, evidently feel that they must now draw the line at cuts in welfare benefits.

Other unions, including the normally pro-Socialist CFDT, have said the measure is "unacceptable."

M Beregovoy's problem is that he needs to find at least FFr 5bn (£432m) to cover the expected deficit in the social security budget this year—largely the result of a drop in receipts caused by the slowdown in the economy.

The government is pledged not to raise fresh contributions from industry. It is also in the throes of raising an additional 1 per cent in income tax imposed in March to plug outstanding social security deficits for last year and has no wish to increase further the burden on tax payers.

UN plea on Namibia

BY OUR UNITED NATIONS CORRESPONDENT

DEEP CONCERN was expressed yesterday by Sr Javier Perez de Cuellar, the United Nations Secretary General, that five years after the Security Council adopted a plan for Namibia's independence, South Africa remained in control and the political situation there had deteriorated.

In a report to the Council, which will take up the question of Namibia next Monday, he said it was evident that the delay in implementing the plan was having a destructive impact not only on the territory but on the prospect of a peaceful and prosperous future for the whole region.

Britain, the U.S., France, West Germany and Canada have backed the settlement proposals. The Secretary-General called urgently on all concerned to strengthen and concert their efforts within the UN framework and to demonstrate the necessary political will to bring about early independence.

U.K. CONVERTIBLE STOCK 21/5/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates⊕	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div◊	Cheap (+) Dear (−)◇ Current
British Land 12pc Cv 2002	9.60	280.00	333.3	80-97	4.3	1.4	−1.2	−3 to 6	30.3	82.3	18.4	+19.5
Hanson Trust 9¾pc Cv 01-06	81.54	185.00	107.1	85-01	5.3	3.5	−5.6	−7 to 2	118.1	73.4	−22.8	−17.2
Slough Estates 10pc Cv 87-90	5.03	246.50	234.4	78-84	4.1		−2.6	−8 to 1	11.2	9.6	− 0.6	+ 2.0
Slough Estates 8pc Cv 91-94	24.72	114.00	97.5	80-89	7.2	6.2	8.3	3 to 12	26.8	35.4	8.1	− 0.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

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Fall in oil output cuts North Sea income by £45m

BY RAY DAFTER, ENERGY EDITOR

A DROP in North Sea production last month reduced Government oil revenues by more than £45m according to figures published last night by the Royal Bank of Scotland.

The bank said that UK oil production in April, averaging 2.15m barrels per day, yielded *an estimated £690m for the* Treasury. But output was 6.7 per cent down on the previous month and back to the January level.

April production of North Sea oil was hit by maintenance in two of the UK's biggest fields—British Petroleum's Forties discovery and Shell/Esso's Brent find. Forties was shut for four days resulting in an average output of 415,238 b/d as against 463,936 b/d in March.

Each of the four Brent Field production platforms is being shut in rotation, cutting North *Sea output* by about 100,000 b/d. The reduction, equivalent to almost 5 per cent of North Sea output, is having a significant impact on the flow of Brent oil which has recently been chosen by British National Oil Corporation as the reference crude for UK pricing negotiations.

The maintenance programmes reinforce the view of Mr Nigel Lawson, *Energy Secretary*, who has told the Organisation of Petroleum Exporting Countries that UK production this year will not vary much from the 2.1m b/d output last year. The Energy Department believes that the increase in output from *new* fields *will* be offset by maintenance and unexpected productioo problems.

Shell, the operator of Brent, said yesterday that it had planned to shut each of the four platforms for about a fortnight. It was possible that repairs and maiotenance might last longer.

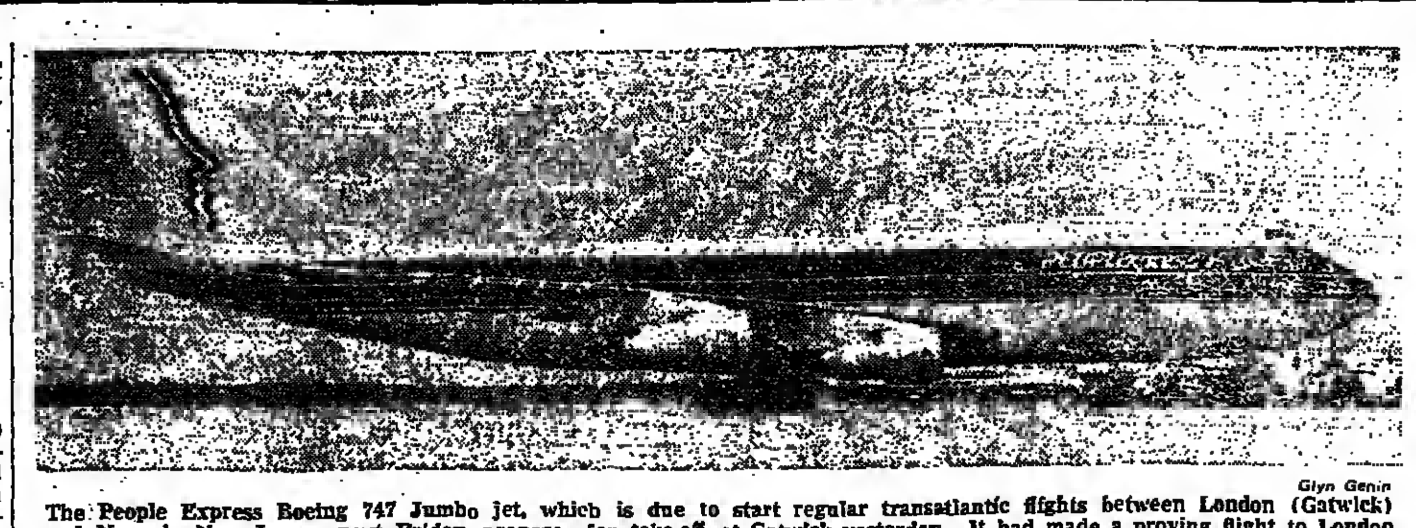
The company shut down Brent Charlie platform last month and output there dropped from 131,000 b/d in March to 29,000 b/d. Brent Delta, which produced an average of 93,000 b/d in March and April is currently closed. Next month Shell intends to work on the Alpha and Bravo platforms which between them have been yielding *an average of* 206,500 b/d in the past two months.

In contrast, British Petroleum is about to announce that production from its small Buchan Field has recovered the £200m development costs. As a result, several independent companies with interests in the field are about to start lifting oil and to boost their North Sea revenues.

When BP negotiated its interest in the Buchan block in 1977 it agreed to pay the development costs of several of the smaller companies with interests in the field—Clyde Petroleum, Tricentrol, Charterhall aod Gas and Oil Acreage (Goal). These companies have bad to wait for BP to pay the development expenses out of production revenue before taking their abare of outpnt.

Pay-back has now been achieved as a result of Buchan production averaging 30,000 b/d over the past two years and reaching a total of almost 22m barrels. The partners in Buchan bave been given initial Energy Department permission to recover np to 50m barrels of reserves. *According to* stockbrokers L. Messel and Company, industry estimates suggested that the field could contain at least 75m to 80m barrels of recoverable reserves. There was considerable confidence that ultimately as mnch as 120m barrels could be recovered.

Buchan production will be apportioned as follows: BP (24.58 per cent), Transworld Petroleum, Sulpetro, St Jde Petroleum, and Clyde Petrolenm (eacb with 12.71 per cent), Texaco (9.24 per cent), Tricentrol (5.76 per cent), Goal (4.54 per cent), Charterhall (4.14 per cent), and Lochiel (0.9 per cent).



Glyn Genin

The People Express Boeing 747 Jumbo jet, which is due to start regular transatlantic flights between London (Gatwick) and Newark, New Jersey, next Friday, prepares for take-off at Gatwick yesterday. It had made a proving flight to Londoo this week,arriving late oo Thursday.

Airlines fail to block $1.7bn Laker action

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

BRITISH AIRWAYS and British Caledonian are to appeal against the High Court's refusal to block the $1.7bn (£1.06bn) anti-trust and conspiracy action brought against them in the U.S. by the liquidator of Laker Airways.

Mr Justice Parker yesterday refused to order the liquidator not to go ahead with the action. He also suspended English actions in which the airlines claimed that any litigatioo against them arising out of the Laker collapse should be in the English courts and nowhere else.

He rejected their plea that *the Anglo-U.S. Bermuda Two* civil aviation treaty precluded the use of the anti-trust Sherman Act against them.

There was nothing in Bermuda Two to justify the court saying that it would be unjust to allow the liquidator's action to go ahead, the judge said. The treaty did not give the UK a blanket exemption *from* anti-trust action by one UK airline against others. Nor did the Sherman Act invade British sovereignty.

BA's and BCal's challenge to the ruling is likely to be heard early next month in the Court of Appeal. In the meantime, temporary orders stopping the liquidator taking further steps in the U.S. action, or interfering with the English proceedings, will continue.

The dispute is almost certain to go oo to the House of Lords for a final ruling. That means *that*, effectively, the U.S. court case will remaio frozeo, probably until the latter part of July.

The defendants to that actioo, other than the UK airlioes, are Pan American, Trans World, Lufthansa, Swissair, KLM, Sabena and two McDoooell Douglas companies.

The esseoce of the case is an allegation by the liquidator, Mr Christopher Morris, of Touche Ross, of a conspiracy to destroy Laker by fixing transatlantic air fares and by putting pressure on McDoonell Douglas not to take part in an operation to rescue Laker.

One of the principal worries of the defendants, who deny the allegations, is that U.S. law allows for triple damages to be awarded against them if the action succeeds.

Mr Justice Parker said that if the UK airlines were granted an injunction Laker would be deprived of a claim that could be brought only in the U.S.

Bermuda Two was not part of English domestic law, but might be part of U.S. law. If it was, the U.S. courts would decide whether it exempted the airlines from anti-trust proceedings.

Laker's claim did not undermine Bermuda Two, or take away from the airlioes any rights granted under it. If anything would undermine the treaty it would be a secret agreement, not disclosed to the U.S. Civil Aeronautics Board, to lower fares, followed by ooe airline putting forward the oew fares as its own Idea.

The judge added that it was not to be forgotteo that the final alleged blow to Laker had been the frustration of the rescue scheme, which had nothing to do with Bermuda Two.

The question was, would it be unjust to let the U.S. action go ahead?

"*What is unjust in allowing* the UK airlines, if the facts are established, from answering ... for breach of the laws of the country by permission of whose government they were operating? I can see no injustice," the judge declared.

If there had been a scheme to damage Laker, it would seem "a manifest *injustice*" to let the instigators escape—"the more particularly when their actions would constitute a plain abuse of the hospitality of, and permission to operate given by, the U.S. Government."

The judge emphasised that he was not saying that BA, British Caledooian or anyone else had breached the Sherman Act or damaged Laker otherwise than by lawful competition that the Sherman Act was designed to secure and which Bermuda Two expressly encouraged.

He was concerned ooly with whether Laker should be prevented from seeking to establish, in the only forum available to it, that it had been damaged by breaches of the Act.

"I conclude that it sbould not be so prevented."

Massey Ferguson losses increase sharply to £35.45m

BY PETER BRUCE

MASSEY FERGUSON Holdings, the UK arm of the Canadian-based farm-equipment multinational, yesterday announced pre-tax losses of £35.45m for the 15 months to the end of last January, a sharp increase on the £13.52m lost in the year up to October 1981.

The UK holding company, which also controls Perkins Engines, expects to return to profitability by the end of January 1984 following the group's refinancing package which could save it $520m (£334m).

Results posted with the Stock Exchange yesterday included a £22.06m extraordinary item, due chiefly to reorganisatioo costs, including redundancies. The effect of the reorganisation might have been even higher but for the generous interest waiving programme cootained in the rescue package

Massey said the results had beeo severely affected by continued poor trading conditions in export markets. Turnover io the 15 months amounted to £609.11m, a marginal increase at best from the £528.41m of the previous 12 months.

Although the UK figures have been extended by three months to take the refioancing into consideration, they compare favourably with those for the whole group, which do not. In the 12 months to October 31 last year, Massey reported a net loss of $413.2m. By then, reorgaoisation costs for the year were $170.8m.

The extraordinary item reflects the deep cuts Massey bas made in its UK workforce. Despite plans to invest £11m in its Coveotry tractor plant over the next three years, the company is seeking 450 redundancies more than the 725 which went earlier this year.

White City stadium sold for £1.2m

By David Dodwell

WHITE CITY STADIUM—bome of greyhound racing in the UK—bas been bought for £1.2m by Stock Conversioo and Investment, which yesterday declined to reveal its plans for tbe stadium.

The stadium is oot due to close uotil July 1984 so the present owners—GRA Property Trust, the largest UK greyhound racing group—can hold its Greyhound Derby in June, as well as the Royal Horse Show, in July. New venues will have to be found for both events.

White City was first built for the 1908 Olympics, and the purchase price takes ioto account a £500,000 loao owed by GRA to Stock Conversion.

The sale arises because of an agrement GRA made in 1968 in whicb Stock Conversion was given a purchase option on the stadium.

In 1973, Stock Conversion said it intended to exercise its option. Since theo, various interim agreements have been made allowing GRA to keep racing going at White City.

GRA operates four greyhound racing tracks in London and six more in England and Scotland. On losing its flagship, the company plans to upgrade one of its remaining tracks to take the place of White City.

GRA was rescued from liquidation in 1976 and since then has emerged to pay off most of its debts. In the financial year eoded last October 31, it earned a pre-tax profit of £638,000, against £733,000 in 1981.

Plessey to axe 400 jobs at Liverpool factory

BY JASON CRISP

MORE THAN 400 jobs are to go at Plessey's Edge Lane factory, Liverpool, which makes public telephone exchange equipment.

The redundancies are part of the continuing run-down of the manufacture of electro-mechanical exchanges.

Plessey employs about 4,000 people at Edge Lane. The company has announced that 389 production workers will lose their jobs and an unspecified number of administrative and indirect jobs will also be cut.

At its peak, Edge Lane employed 12,000 in the early 1970s. The steady fall in the number of jobs reflects the phasing-out of electro-mechanical Strowger exchanges. Plessey is also building the newest generation of electronic exchanges, System X, at Edge Lane, but this requires a fraction of the work-force needed for electro-mechanical equipment.

mbm Plessey says it will create about 100 new jobs in high-technology areas at Edge Lane. The number of people employed on System X is to be increased to about 50. Plessey now has the main role in making System X since it was appointed prime contractor by British Telecom last year. BT's orders for System X exchanges have been accelerated.

Another 20 jobs in the manufacture of payphones are being created. Last year, Plessey won a big order from BT for electronic payphones which will supersede the existing mechanically operated coin-boxes in Britain.

Plessey bopes that most of the job losses will be achieved through voluntary redundancy and redeployment. The reduction of jobs in the making of telephone exchange equipment is common to all suppliers, including GEC Telecommunications and Standard Telephones and Cables.

Leyland to step up electric van output

BY JOHN GRIFFITHS

LAND ROVER-LEYLAND is to expand its limited production of electric vans and trucks next year, Mr David Andrews, its chief executive, confirmed yesterday.

Mr Andrews said that more than 100 vehicles would be built next year, mainly Sherpa electric vans from its Freight Rover subsidiary and a division of the Kenning motor group.

This follows production of a pilot batch of 31 electric Sherpas last year whicb have been in regular use with 10 operators to evaluate thelr performance and running costs.

Leyland unveiled a 7½ ton Terrier truck last year and Mr Andrews said that considerable interest had been shown in the three prototypes built by Leyland Vehicles' technology department.

He said that an outline proposal had been prepared for an electric bus, to be known as the Leyland Cub, with seatiog for 25 and a range of 40 miles.

Addressing the Electric Vehicles Association in London, he said Leyland was at an advanced stage of discussions with the *Department* of Industry over funding for the bus, in wbich transport authorities had shown close interest.

He said that electric vehicles were at a critical stage of their evolution and called for continuing funding of research.

Four UK commercial vehicle makers are actively involved in light electric commercial production: Bedford and Karrier Motors, as well as the two BL companies.

Karrier Motors, formerly Dodge, was first to start commercial production, with a version of its Dodge 50 truck in 1981. But so far only aboul 40 are in service, well down on the original forecast. It bad been planned to build 20 a month.

However, the electric vehicle industry is slowly makiog headway, with Lucas Chloride EV Systems — a joint venture between the two companies—also having put its electric drive system into commerical production.

Return to full-time work cuts jobs at Foden plant

BY NICK GARNETT, NORTHERN CORRESPONDENT

SANDBACH Engineering, which manufactures Foden trucks, is making a further 99 workers redundant, bringing its workforce down to about 500.

The decision is partly the result of a return to five-day working at the Sandbach, Chesbire, factory. A three-day or four-and-a-balf-day week was *in operation* earlier in the year.

Mr Hank Keifer, managing director of the company, which is part of the U.S. Paccar group, sald yesterday that it was necessary to have ataff with specialist skills working a full five-day week to meet the demands of manufacturing a complex product for different customers.

He said orders were unchanged at 50 to 60 Fodens a month. Between 85 and 95 per cent of the componeots and materials use din the trucks are British-made.

The company, which also manufactures the Trans-continental for Ford, is rednciog the emphasis on the Sandbach Engineering name in marketiog. Foden will be used as the operating name and the switch-board now refers to tbe company as Foden Trucks. "We decided to switch the emphasis from Sandbach to our prime product," Mr Keifer sald.

ERF, the independent truck builder, sbed a similar number of workers earlier this year. Seddon-Atkinson, an International Harvester subsidiary, recently announced 134 job losses, and there could be further cutbacks in its component manufacturing operation.

A number of companies have shown interest in purchasing Seddon-Atkinson, which was put np for sale by International Harvester last year.

Fine on Coral cut to £5,000

A £50,000 fine on Mr Bernard Coral, *former* head of the Coral Leisure Group casino division for conspiring to breach the provisions of the 1968 Gaming Act by allowing credit to gamblers at casinos in London, was reduced to £5,000 yesterday.

Lord Justice Lawton said in the Court of Appeal that the offences were stale and the fine, imposed last year, was nut of line.

BL Systems expected to lodge software claim

BY JOHN GRIFFITHS

A STATEMENT of claim by BL Systems, the vehicle group's computers division, is expected to be lodged next week against Insight International, the Oxfordsbire company whose executives' bomes were searched by BL Systems officials in the presence of High Court officers last month.

BL Systems recovered software from the homes of three executives, all former employees of BL Systems, including Dr Edward Fiddy, the BL company's former director of research operations.

Dr Fiddy, director and major shareholder of Insight, has denied that the material recovered—relating to the BL Systems prize-winning See-Why computer modelling system—has any relevance to prodncts which Insight plans to launch.

He said yesterday: "The information which BL Systems have got concerning our products and plans consists largely or wholly of what I provided them with in discussions on possible collaboration.

"I would hardly have entered such discussions if what I had to offer was, as BL Systems is claiming, something 'making use of' BL Systems's own product."

Insight, said Dr Fiddy, is developing a family of Optik products based on principles different from the BL system.

"But even if this were not the case, the staff of Insight, who played the major role in developing BL Systems' product, would have had no need of discs or manuals to remind them of its concepts."

New move to break Sturla deadlock over accounts

BY DAVID DODWELL

MR DAVID BRITTON, managing director of Sturla Holdings, the troubled financial group, has called ao extraordinary meetiog to ask sbareholders to appoint new directors to replace the company's chaimran, Mr Robert Knight, and fioaoce director Mr Moise Mochenbach.

Sturla shares have been suspeoded at 6p at the company's request since the middle of March. Mr Knight faces fraud charges. A full audit of the group's long-delayed accounts for the financial year eoding in April last year has ben beld up because there are not the statutory two directors who will agree to sign them.

Mr Britton earlier attempted to break the deadlock by asking the High Court to replace Mr Knight and Mr Hocbenbach. The judge bowever ruled that sbareholders ought to make a decision of such fundamental importance to the company. The extraordinary meeting will be held on June 9.

Mr Knight was arrested early in March in connection with City fraud squad inqiries into forged Eurobonds. He was charged with conspiring to defraud financial institutions.

Later in March he was cbarged along with his personal *assistant with conspiring* to defrand Sturla Holdings "by dishonestly causing funds paid for their own or another's use, and the dishonest appropriation of the assets of Sturla with the inteotion of deceiving the company and its shareholders."

He was forbidden from entering the premises of Sturla Holdinga and remaoded on cooditional bail worth £30,000. This was in additioo to £40,000 bail for the earlier frauod charges.

Mr Knight has made efforts to bring boardroom changes. At a hastily called board meetiog io Marco comprising only himself and Mr Hochenbach—who flew in from the U.S. to make bis only boardroom appearance since late last year—three new men were appointed to the board.

Within two weks, the new directors had resigned "in view of the background of the company's affairs that have recently come to light."

Since then the board has not had a quorum and the company's long-delayed audited accounts, now virtually ready, remain unsigned.

If sbarebolders accept a proposal to remove Mr Knight and his finance director and put in their place Mr William Starkey, company secrelary, and Mr David Graham, acting finance director, the accounts could be sent to shareholders within two

Retail association chief likely to resign

BY GARETH GRIFFITHS

MR BOB LLOYD-JONES, *director general* of the Retail Consortium, is expected to announce his resignation within the next few days.

Mr Lloyd-Jones said last resign." He refused to comment on differences with the consortium but agreed that these had been broadly about policy.

The Retail Consortium, represent statement next week to deny rumours of a policy split.

Mr Lloyd-Jones was appointed director-general about two years ago but has been on leave from his post by mutual consent with the consortium for the account for 90 per ceot of retailers and provides lobbying and research services for them.

It is believed that Mr Lloyd-Jones wanted to expand the consortium into a mini-CBI but that this was opposed by

Employers asked for fair wages rule to be kept, says survey

BY BRIAN GROOM, LABOUR STAFF

THE GOVERNMENT appears to have ignored the advice of a majority of employers' organisations in pressing ahead with its planoed abolition of the Fair Wages Resolution, which will cease to exist in September if tbe Tories have won the General Election.

Iocomes Data Services, the pay research company, examined 30 of the 39 submissions to the Employment Department, mostly from employers. It found a clear majority favoured retaining some or all of the resolutioo.

If the resolution were to be abolished, then for the first time in generations there would be no general requirement in government contracts that contractors pay either the going rate or negotiated industry-wide rates, or that they must follow collective agreements on terms and cooditions of employment.

IDS says all this could indirectly weaken national pay-bargaining arrangements, the long-term future of which would be more widely questiooed in the event of a Conservative victory.

Mush of tbe opposition to abolition of the resolution came in industries where national agreements are important. There is concern about established rates being uodercut with a resultant breakdown in industrial relations.

The Electrical Contractors Association said the abolition, taken with the repeal of section 11 of the Employment Protection Act and proposed employment legislation, would result in a proliferation of companies employing cheap labour, poorly-trained and ill-equipped for the work they would be called on to do.

This could result in less training, a shortage of skilled workers and an escalation of wage rates for those who were fully trained—an outcome opposite to that intended, said the association.

The strongest area of opposition was the buildiog industry, which feared the removal of safeguards against "cowboy" companies. Building federations were not interested in keeping the "general level" provisions but generally waoted the clause on minimum terms retained and amended.

Some public bodies are setting up their own rules for imposing fair wages requirements on contractors. They would risk disputes with their own staff if they were not to do so.

Report 401; IDS, 140, Great Portland Street, London, W1.

Perkins Engines in unusual pay deal

BY DAVIO GOODHART, LABOUR STAFF

AN UNUSUAL pay deal has been agreed at Perkios Eogines, Peterborough, Cambs, based on freezing contributions to the company pension scheme.

The deal covers 4,100 manual workers. It provides for a basic pay rise of £1 only. To compeosale, however, employees will not make the usual peosion contributioo of 5.5 per cent of gross pay (less state offset) for the 12 mooths from this April 1.

The settlemeot means the company pay-bill will rise only marginally this year, while workers will obtain the equivalent to a 3 per cent rise oo gross pay.

According to tbe compaoy, motivation for this novel agreement came partly from the difficult trading positioo, partly from the pension fuod's good investment performaoce.

Perkins has one of the country's most successful pension funds and, in addition to this year's freeze, contributions will be phased back to the usual level over a three-year period with compensatory rises on basic pay rates to offset the impact. Those compensatory rises will be in addition to any pay rise negotiated in the usual way.

The Perkins manual workforce has been near-halved from the 7,000 employed in the late-1970s, because of fall in demand for diesel engines. The plaot is still working short time.

The new weekly basic rate for a material handler is £98.84 and for a craftsman £127.75. Last year's pay rise was 4.6 per cent. The Engineering Employers' Federation, of which Perkins is not a member, said last night it had not heard of similar deals.

BT in 6% settlement

BY OUR LABOUR STAFF

A PROVISIONAL pay settlement of about 6 per cent bas been agreed between British Telecom and unioo negotiators representing 150,000 eogineering *and management* staff.

The agreement gives a rise of 5 per cent from July 1 and a further 1 per cent from December 1 with an additional ½ per cent increase io the fixed-bonus paymeot system.

The executive of the Post Office Engioeering Union, representing about 130,000 technicians and other grades, will recommend acceptance to the union conference next mooth. The Society of Telecom Executives, representing about 25,000 managers and senior engioeers, is also expected to recommeod acceptance.

The new pay rates, from December, would give a technical officer a new salary of £9,775, a class 1 technician £157.70 a week and a trainee technician's pay would rise to £106.19.

A similar deal has been reached for the small number of POEU engineers in the Post Office.

PLA strike costs business

BY OUR LABOUR STAFF

THE Port of Londnn Authority has lost a big customer, Troll Lines, and seems set to lose one of its fastest-growing contaioer services, because of the recent eight-week strike by dockers over pay.

The authority is expected to seek hundreds more redundancies among dockers, when it has assessed fully the damage done to its business by the strike.

Troll, which used to unload 100,000 tonnes of forestry products a year at Tilbury, is switching to Sheerness. This follows the earlier withdrawal of timber importer MacMillan Bloedel, for reasons unconnected with the dispute.

The Sofati contaioer service has told the port of Felixstowe that it can handle the company's next three ships and, if that proves successful, the Suffolk port can have the service permanently.

Meanwhile, at the port of Hull there are hopes that talks on ending a pay and productivity dispute, which has lasted for months, might restart soon.

AUEW bid to save training pact

By Our Labour Staff

THE EXECUTIVE of the Amalgamated Union of Engineering Workers has decided to recall the policy-making national committee oo June 24 in a final attempt to win agreement on the abolition of time-served apprenticeships.

A provisional agreement on reform of apprentice training between the Engineering Employers Federation and the AUEW executive was overturned by a 30-18 vote of the oational committee last month. The agreement would abolisb the four-year training requirement.

Although this is a craft rather than a political issue, the right-wing union leadership has been leaning on its supporters on the national committee in an attempt to reverse the decision before the Confederation of Shipbuilding and Engineering

Standstill at Michelin in shifts row

Financial Times Reporter

THE CAR division of the Michelin tyre factory, Stoke-on-Trent, Staffs, was at a standstill yesterday after more than 1,000 workers walked out in a dispute over plans to introduce a seven-day week sbift system.

Tbe row arose when management tried to hallot workers on the new shifts. The workers refused to co-operate because the Transport and General Workers Unioo had rejected the plan at a previous meeting.

Mr Gordon Howle, the works convenor, said: "The men are furioos at the way management is running the factory and are staging this 24-hour stoppage off their own bat to show their disgust."

The cnmpany said yesterday: "The men in the car division were told in March that the new shifts woold be introduced, as they already have heen in two

Conservative win 'will cut inflation further'

BY JOHN HUNT

A PREDICTION that under a Conservative government inflation would come down lower than the latest retail price index figure of 4 per cent was made by Mrs Thatcher yesterday.

This would not happen if a Labour government was returned to power, she warned. In that event the value of the pound would be affected and inflation would go up again.

The Prime Minister conceded that before coming down further inflation could rise in the autumn as Sir Geoffrey Howe, the Chancellor, had already acknowledged. This would be only a temporary increase, she claimed.

As she began her out-of-town election campaign with a visit to the West Country, Mrs Thatcher's main theme was the Government's success in bringing down prices.

Mrs Thatcher started her campaigning with a visit to North Cornwall, the highly marginal constituency which the Liberals have high hopes of winning for the Alliance. In energetic form and apparently enjoying every moment of the bustings battle, she flew to St Mawgan in a BAC 111 appropriately named Island Endeavour.

She chatted to fishermen at Padstow, trudged through the mud of a farm near Wadebridge and then addressed a meeting of several hundred people in a local car park.

In spite of the strong Liberal tradition which still permeates the area, she received an enthusiastic reception sometimes bordering on adulation, although there were a handful of Liberal and Labour hecklers on the fringes.

In an impromptu farmyard press conference on the latest retail price index figure she said: "I hope it will go lower. All our policies are designed to get inflation down, to restore honest money.

"The Chancellor's forecast was that because of the move in the exchange rate there would be an increase towards the autumn. That would be a temporary increase."

Mr Denis Healey, speaking in Leicester yesterday, added his comment: "The few remaining wets in the Cabinet are throwing coded messages through the bars of their prison cells as fast as autumn leaves in a gale. Francis Pym was first—he took swift revenge for the public humiliation She inflicted on him at her press conference the previous day. He warned the country she'd be intolerable if she won a big majority."

Since his remarks the exchange rate had risen a little. A lot of what would happen to prices would depend on the outcome of the general election.

"If the exchange rate rises again then inflation is more likely to come down."

If another party is elected "it could have quite a different effect on the exchange rate."

Mrs Thatcher added, however, that it was always difficult to forecast the precise figure for inflation. It had been wrong in five years out of the past seven.

Later she told a cheering audience at Wadebridge that inflation, which had risen to 27 per cent under Labour, was down to 4 per cent under the Conservatives.

The Prime Minister was intent to combat the Labour theme that the Government is a "one-woman band" and that a Conservative victory would mean even more extreme policies.

The Prime Minister avoided mentioning the Liberal SDP Alliance, depicting the election battle as being between the Conservatives and an extremist Labour Party.

However, the Prime Minister had obviously chosen North Cornwall as the first target of her tour in an effort to head off the Liberal/SDP challenge. It has been a Tory-Liberal marginal for many years and was held by John Pardoe for the Liberals in 1966-79. It was then won by Gerry Neale for the Tories with a majority of 3,747. Under the boundary changes it now takes in the town of Bodmin.

The Socialists have a weak presence there.

This time the Liberal, Mr David Chambers, is contesting it for the Alliance.

Ashley Ashwood

Down on the farm. Mrs Thatcher in conversation with farmer Del Nightingale on his land near Padstow in north Cornwall

Breathing space in new citadel at the end of a hard week

THE LIBERAL section of the Alliance bandwagon rolled into Chelmsford last night, sure of a rapturous welcome but still short of a campaign-lifting issue.

Mr David Steel, the party leader, has a personal interest in Chelmsford. The long serving Liberal candidate bidding to oust Mr Norman St John Stevas is Mr Stuart Mole, a Steel speechwriter and confidant.

The Liberals are only too aware that this is a seat they must take if the Alliance is to make any real impact on the general election result. But little more than a month after the party swept to power in the local elections, ending 40 years of Tory rule, its support shows no sign of weakening.

Mr Steel basked gratefully in the revivalist atmosphere of the newest Liberal stronghold.

The lack of a vibrant issue, the kind of thing that could arise next week as the campaign hots up, has meant attention has inevitably focused on the style rather than the content of Mr Steel's campaign.

He claims to enjoy campaigning, but clearly is ill at ease with the promises and platitudes of electioneering. At this stage, the strategy is simple—to

On The Stump

By Kevin Brown

show the flag, preferably on prime time TV, and that involves more vulgar flesh pressing than the setpiece speeches and interviews at which he excels.

Mr Steel sometimes looks a little bemused, occasionally impatient as his aides manoeuvre him around a shipping centre here, a school playground there.

Yet he is so patiently sincere, although yet unsullied by office, that he carries off the hand shaking "how are you . . . nice to see you" routine better than most politicians.

He understands all the tricks, and is clearly aware that the sticky palms in Buxton, Bethnal Green, and Bermondsey matter less than the bottoms on seats represented by the ITN and BBC camera teams.

But as he rested in friendly territory last night, Mr Steel must have reflected a little sourly on the drunks and punks he has spent much of the week avoiding, and on the baby kissing at which he excels but manages to look slightly more ridiculous than most.

He set the tone for yesterday's whistle stop tour of inner London, Essex and Herts with a two minute speech from the door of his bus in south London, hard by the Walworth Road headquarters of the Labour Party, whose banner obligingly sagged *disastrously* as he passed.

In Bermondsey, Mr Simon Hughes showed why he swept to victory over Labour in a by-election in February. His breezy style was a sharp contrast to the aggressive Mr George Cunningham in Islington, where three SDP defectors from Labour are fighting with their backs to the wall.

There was a lot more latent hostility for the party leader and candidates to contend with in Islington's Chapel Market, summed up by a persistent pensioner, with the best joke of the day: "You've done as much for the working class and the pensioners as Cyril Smith has done for hang gliding."

The first week of the campaign was summed up, however, in St Albans, where Mr Steel was presented with marzipan likenesses of himself and Mr Roy Jenkins, the SDP leader: "Do I eat myself first or Roy?" he asked.

Choose the hard path, urges Steel

By Kevin Brown

A VOTE for the Alliance would be a difficult change of habit for many electors, Mr David Steel, the Liberal leader, admitted last night.

At a rally in Chelmsford, the top Liberal target seat, he warned: "The easy choices are the false choices."

Mr Steel said the key choices in life were never easy. "I freely admit that the Alliance vote is the difficult vote. We are asking the electorate to make an effort of mind, to think hard and choose the new and difficult path."

Stressing the third choice offered by the Alliance, Mr Steel said it was easy, and false, to choose between curing inflation and reducing unemployment.

"Any government can cure inflation by making several million people unemployed. Any government can cure unemployment by printing money and causing runaway inflation."

Mr Steel added: "How easy, and how false, to choose between seeking peace through throwing away our weapons, and arming to the teeth, regardless of the fuel we are adding to the arms race fire. Far more difficult to maintain a prudent level of conventional arms and to reduce by skilful planning and a long hard grind of disarmament negotiations our over-dependence on nuclear arms."

Alliance resurrects 'shopping basket'

MRS THATCHER'S 1979 "shopping basket" gimmick, used when she was Opposition leader, to undermine Labour's record on inflation, was turned against her yesterday by the Liberal/SDP Alliance, writes Kevin Brown.

Mr David Steel, the Liberal leader, produced at the Alliance news conference a shopping bag full of the same household necessities that Mrs Thatcher bought four years ago.

The cost was up from £4.37 to £7.08—a rise of 45 per cent.

Mr Steel said the reduction of inflation to the annual rate of 4 per cent was the one solid achievement claimed by the Government, but even Ministers admitted that prices would start to rise again by the autumn.

"Like Labour in 1974, the Conservatives have managed to squeeze in an election at the very temporary low point of the fall, just before the rate starts to climb again," he said.

Mr Steel said voters should remember that UK inflation at 4 per cent compared with 3.6 per cent in the U.S., 3.3 per cent in West Germany and 2.4 per cent in Japan.

"For all the pain of more than 3m unemployed, we still have a rate of inflation well above the level of many of our competitors. Mrs Thatcher believes that the only way to cure inflation is by continuing increases in unemployment. That is not a remedy we can tolerate."

Conservatives poll strongly in Wales

CONSERVATIVE support is holding up in Wales, according to an opinion poll published last night by Harlech Television. It gives the Conservatives 38 per cent of the Welsh vote, compared with 33 per cent at the 1979 general election.

Tories demand costing of Labour plans

BY IVO DAWNAY

THE CONSERVATIVES went on the offensive at their first formal campaign Press conference yesterday with a challenge to Labour to produce detailed figures on the cost of its five-year programme.

Launching the attack, Sir Geoffrey Howe, Chancellor of the Exchequer, claimed that, though Labour's "emergency programme of action" had been costed at £11bn, no figures had yet been presented on the other measures promised in the manifesto.

"I now challenge Mr Foot and Mr Shore to publish full, detailed, clear and comprehensive costings of Labour's longer term promises for a full parliament." Sir Geoffrey said: "If Mr Foot cannot do so by Monday, we will do it for him."

Mr Shore, shadow Chancellor, launched a swift response to what he called the "phoney" challenge by calling on Sir Geoffrey to allow Labour to "inspect the books."

Mr Shore commented: "No Opposition has ever provided more information. Instead of phoney challenges Sir Geoffrey should come clean. What I and the country would like to see is Sir Geoffrey's medium term forecast for 1983-88 and the Think Tank study for the period up to 1990 which was presented to Ministers less than a year ago."

The Chancellor pressed home the point by quoting Mr Foot's remarks to an Oxford election rally on Thursday where the Labour leader had argued that attempts by any party to campaign on a programme it could not fulfil would be "a cruel deceit."

In defence of his own record, Sir Geoffrey said that the grounds for "cautious optimism" over economic recovery rested on [illegible] foundations. Manufacturing productivity had improved by 16 per cent since the end of 1980, increases of 3.5 per cent in unit labour costs were lower than those of most of Britain's competitors, profitability was recovering and interest rates had fallen.

Questioned on forecasts that inflation would rise to 6 or 7 per cent by the winter, Sir Geoffrey argued that when all the factors were examined it was "very clear" that the underlying trend of inflation was downwards.

The prominence given to the Chancellor at the press conference suggested that the Prime Minister has tacitly acknowledged Labour criticisms that she over-dominates her Cabinet.

In stark contrast to Wednesday's Press conference on the manifesto, when Mrs Thatcher interrupted Mr Francis Pym, the Foreign Secretary, she made a point of redirecting questions to Sir Geoffrey and Mr Patrick Jenkin, the Industry Secretary, paying careful attention to their replies.

Mrs Thatcher also tactfully dismissed a claim made by Mr Pym on television, that a Tory landslide was undesirable, as "natural caution" of a former Chief Whip.

"I want as many Tory candidates to win as we can possibly get," she said. "We are fighting the most extreme manifesto that has ever been placed before the electorate of Britain. It is state socialism rampant."

Asked whether the Alliance would take votes from the Tories or Labour, the Prime Minister said the effects would differ from one constituency to another.

But she added: "Quite easily, by taking sufficient votes from the Conservatives in vital seats, it could in fact make Labour the biggest party."

She went on to warn that the SDP's [illegible] with Labour and the history of the Lib-Lab pact would [illegible] the Alliance could [illegible] the socialists to power.

Mrs Thatcher treads a very fine line

DOMINANT or domineering—it is a fine line that Mrs Thatcher is treading between them.

She looked hurt yesterday by charges that she was "putting down" her senior ministers. "We have not really started the campaign yet," she explained.

The Prime Minister gave Sir Geoffrey Howe, her Chancellor, his say at the press conference. Patrick Jenkin, Industry Secretary, also had a word.

But the leader soon took over again. There was a sideswipe at Francis Pym for suggesting the Tories didn't want a landslide majority ("a natural ex-chief whip's caution") and another at James Prior for urging more concern for the jobless.

Mrs Thatcher fielded one question after another, but finally relented. "I am quite prepared to answer that," she said. "But perhaps someone else. . . ?"

It was back to the headmistress image for lunchtime TV, however. "I have known some very good headmistresses who have launched their pupils on wonderful careers," she said.

"I am what I am. Yes, my style is vigorous leadership. Yes, I do believe certain things very strongly.

"And I am far too old to change now."

● VETERAN INDUSTRIAL reporters were surprised that TUC chairman Frank Chapple's endorsement of John Grant, SDP candidate in Islington North, should cause any surprise.

Election Notebook

By Philip Rawstorne

Chapple, according to them, was the source of some of the best stories about the Labour Party executive and the TUC which Grant wrote as industrial correspondent for the Daily Express during the 1960s.

The pair were such close buddies, it is said, that if a fuse blew in Grant's home, electricians' leader Chapple would nip round to repair it.

● LORD CHALFONT'S political round is beginning to give a new meaning to "defence circles."

Once a Liberal defence correspondent of The Times, Chalfont responded to Sir Harold Wilson's call in 1964 and joined the Labour Government as Minister for Disarmament.

After the 1970 election defeat, he continued to serve the cause both in the Lords and as foreign editor of the New Statesman.

Then came a personal UDI—and a seat on the crossbenches. His political standpoint by 1977 was that of "a social democrat committed to the ideals of freedom."

Now Chalfont has volunteered for service with the Conservatives, offering to share any anti-CND platform they might provide.

His offer has been gratefully accepted at Central Office. Local parties have been told to call on him whenever there is a gap in the ranks to fill.

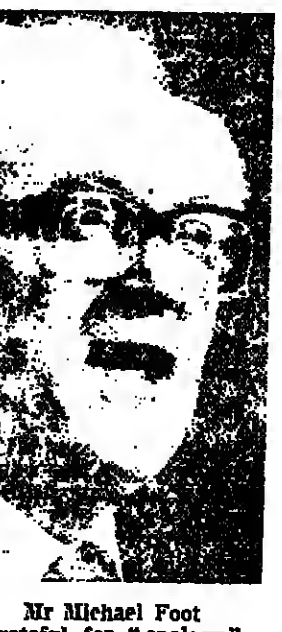
Foot scorns Thatcher 'apology' for 1979

BY IAN RODGER

MR MICHAEL FOOT, the Labour Party leader, scoffed at Mrs Thatcher's claim that she did not blame him for the rise in unemployment while he was Employment Minister.

"I accept her apology, because she spent I don't know how many millions in the last elections—in those Saatchi and Saatchi advertisements—trying to pin the blame for it on us."

Speaking at Labour's morning Press conference, Mr Foot also criticised Mrs Thatcher's assertion that there was "no magic formula" for dealing with unemployment.



Mr Michael Foot
Grateful for "apology"

"We've never suggested that there was a magic formula. But of course the last Labour Government didn't just sit down and take the unemployment as this Government has done. We took a series of measures to turn it the other way."

He cited the temporary employment subsidy and aid to nationalised industries as examples of Labour's efforts.

Mr Stan Orme, Labour's industry spokesman, said a new Labour Government would stimulate jobs by intervention and investment in manufacturing industries.

"We intend through exchange controls and through the controlling of imports to see that the investment trend—which was the lowest last year since 1959—is reversed."

Asked about the move by Mr Frank Chapple, leader of the electricians' union, to support Mr John Grant, the Alliance candidate in Islington North, Mr Foot said it was ill-advised. "He must know that it was certainly not approved by the overwhelming bulk of the Labour movement."

Mr Denis Healey, Labour's deputy leader, was asked to clarify the party's position on the Polaris nuclear force. He said Labour would propose to negotiate the phasing out of this force in the multilateral discussions.

"If the Russians refuse to make any response, that would be a new situation and we would have to consider it when it came."

Pledge on Scottish jobs

SCOTLAND'S Conservatives launched their election campaign yesterday boosted by the latest opinion poll showing them closing the gap with Labour.

Mr George Younger, Scottish Secretary, pledged that tackling unemployment in Scotland was and would remain his top priority.

"Since 1979 we have made over 300 offers of selected financial assistance to industry worth £177m," Mr Younger said. "That assistance generated £1.7m of investment in Scotland creating or saving 79,500 jobs—14,000 more than similar Labour assistance ever achieved over a four-year period."

The latest opinion poll showed the Tories had improved their support in Scotland by 8 per cent, 12 points off the Labour lead.

Ironically, Sinn Fein challenge galvanises SDLP

THE GATES of Londonderry are at least open again. The historic walls, which held out the forces of Catholic King James II in the siege of 1689, proved less effective against IRA bombs in the 1970s. However, more relaxed security now permits traffic to flow again through the city.

It gives the town, the centre of the new constituency of Foyle, a welcome air of bustle and normality. Otherwise there is little for the 68,000 constituents to cheer about.

In a general election where unemployment is a major issue the new MP for Foyle, whoever he is, will be able to claim with confidence that he represents the worst affected area in the realm. Male unemployment in Derry is reckoned to be about 40 per cent, while in the neighbouring town of Strabane one in every two men is without a job.

Even so unemployment will not be the major issue in Foyle. There is, for example, the question of a name for the city. It is officially Londonderry, in honour of the London merchants who financed its establishment, but this has always offended the majority Catholic population, which prefers Derry.

There was considerable controversy when the city council, now controlled by the nationalist Social Democratic and Labour Party, refused to change the official name.

Pat McArt, a local journalist, says this caused a lot of ill-feeling against the SDLP. The fact is that Catholics are still trying to get used to having a nationalist council, and probably soon a nationalist MP, after years of sulky opposition to Unionist control.

Local community worker Mr Paddy Doherty claims: "The Protestants possessed Derry but they never loved it. Now that they don't possess it, they don't give a damn, whereas the Catholics never identified with it in the first place."

Mr Doherty uses unemployed school leavers to restore derelict buildings in the town centre. The young people pick up useful skills but it is a harder task to break down the cynicism of the citizens, who doubt if anything much can succeed in Derry.

FOCUS ON

By Brendan Keenan

Cynical or not the voters will have to make some fundamental choices on June 9, not least because of the challenge to Mr John Hume, the SDLP leader, from Sinn Fein, the political wing of the Provisional IRA.

Mr Hume is the major figure in modern Irish politics. He has influence in Brussels, Strasbourg and Washington, and enormous influence in Dublin. He has hardly any in London and says he is "looking forward to the challenge" of challenging all that when he gets to Westminster.

With Unionist voters accounting for not much more than a third of the Foyle electorate, Mr Hume is likely to be the next MP. His influence, however, may depend on how he, and his party, meet Sinn Fein's challenge.

In Foyle this comes from Martin McGuinness, aged 33, once top of the British army's wanted list when the IRA campaign was at its peak. As he poses nervously for the endless stream of photographers and camera crews arriving at Sinn Fein headquarters, Mr McGuinness may feel nostalgic for those simpler days. But he is in no doubt about the value of present strategy.

"It is only through force of arms that the British will be made to leave Ireland," he says. "Election victories will not change things of themselves but they can bring the problem to the centre of the world stage as never before.

"With the IRA driving forward on the military front, we can make British rule impossible at the end of the day."

It is an uncompromising message. Ironically it has galvanised the veteran campaigners of the SDLP, who admit to being weary after 13 years in which they have fought an average of almost one election a year with little to show for it.

They see the danger, however, and are stung by comments that the party is on its last legs.

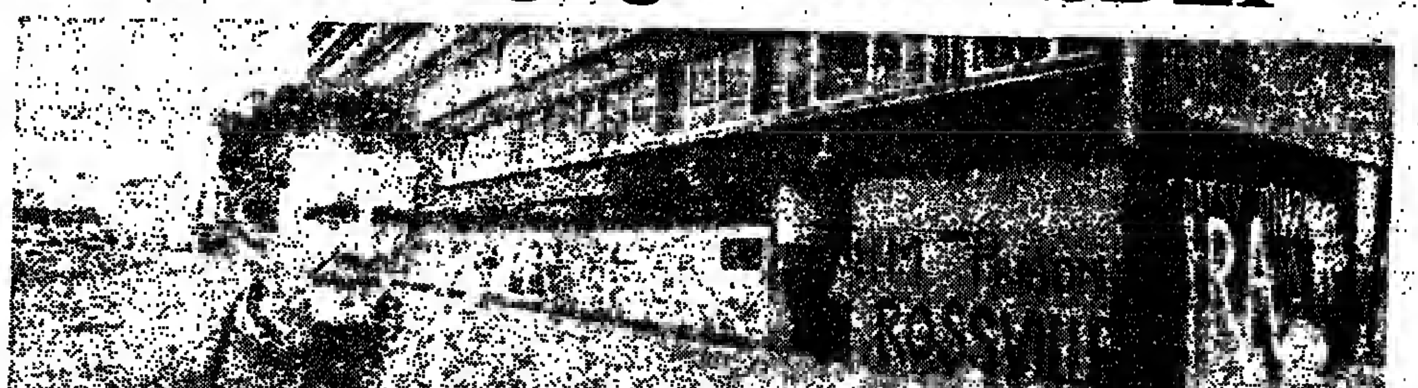
Mr Hume is especially angry at reports that British ministers are prepared to envisage the collapse of the SDLP and its replacement by other parties or groupings. "Do they think political parties grow on trees?"

The Sinn Fein danger has also forced the Roman Catholic Church into the uncomfortable position of having to comment on a general election. When IRA gunmen shot Mrs Alice Purvis as she tried to protect her soldier husband, Dr Edward Daly, Derry's Catholic Bishop, spoke out.

He made it clear that he could not support anyone who was equivocal about this kind of violence but admits that he would have felt bound to make a statement even if there had been no specific incident such as the killing of Mrs Purvis.

Dr Daly carries weight in Derry, not least because of his actions as a parish priest on Bloody Sunday when 13 people were killed by paratroopers.

Mr McGuinness, however, is unmoved, believing that young people in particular are no longer prepared to take their politics from bishops.



Trevor Humphries

Martin McGuinness, candidate for Sinn Fein, political wing of the Provisional IRA, at the Rossville flats in Derry's Bogside area: an uncompromising message.

Mr Hume is prepared for a rough campaign. He contrasts Sinn Fein's professed concern about unemployment with the IRA's past policy of shooting leading industrialists. The symbol of his build a new Ireland theme is the £25m bridge across the River Foyle.

He worked hard to raise European money for the project which will be completed next year. The bridge will make sense only if there is new industry to avail itself of the improved access to the east coast ports. Derry is an enterprise zone, but Mr Hume wants a free port established, with an industrial zone straddling the border with the Republic.

Those who take a long view, like Official Unionist candidate Jack Allen, recognise the dangers of a Sinn Fein success. In the short term, though, many Protestants feel that Mr Hume at Westminster would be a more dangerous foe than Mr McGuinness abstaining in the Bogside.

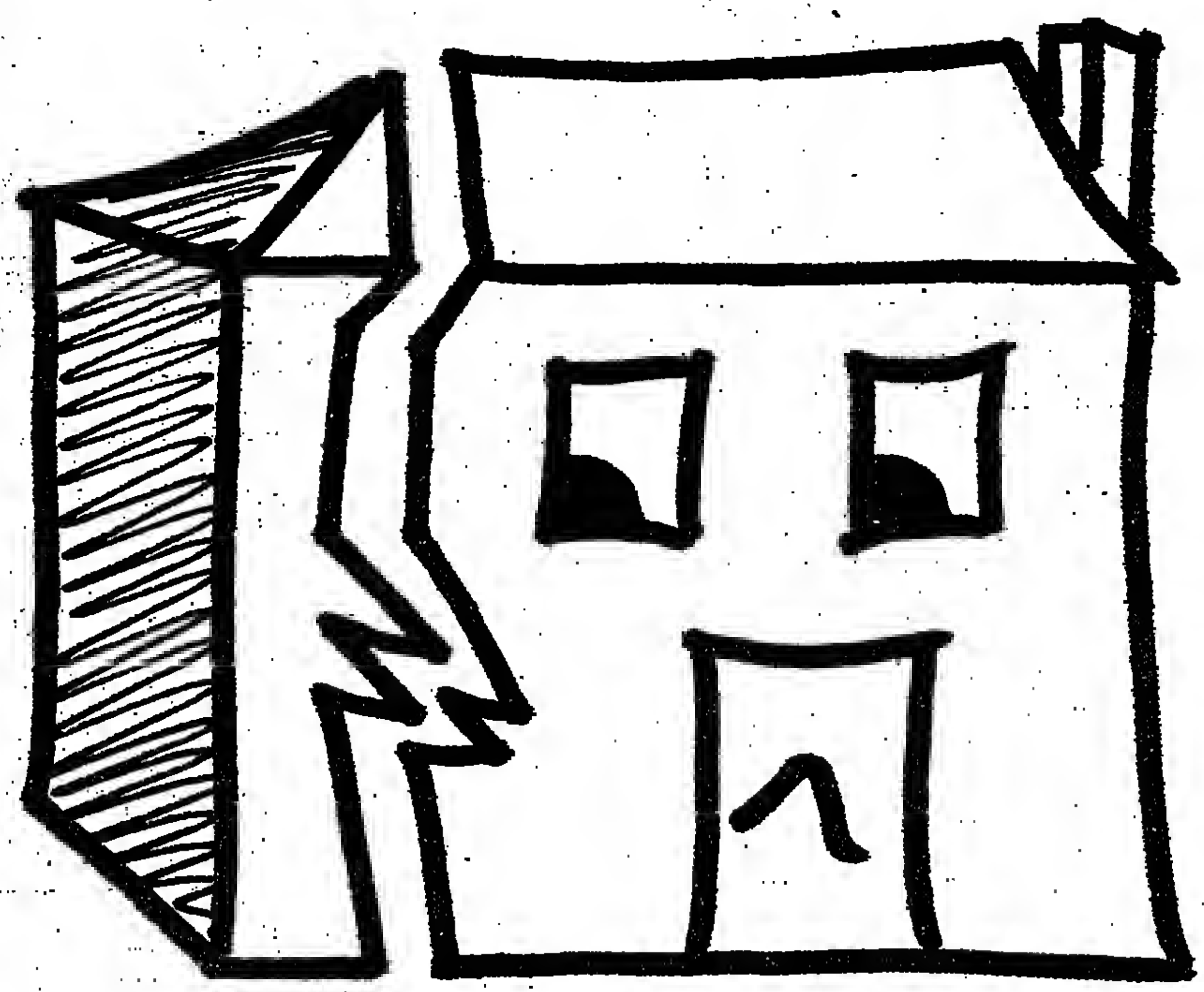
The candidates
FOYLE

Jack Allen Official Unionist
Gregory Campbell Democratic Unionist
John Hume SDLP
Martin McGuinness Sinn Fein
Eamon Melaugh Workers Party
Gerry O'Grady Alliance Party of Northern Ireland

Trevor Humphries

The £25m River Foyle Bridge—symbol of SDLP candidate John Hume's build a new Ireland theme. Mr Hume (left) confers with watchman Willy McClosky.

This advertisement is published by S. G. Warburg & Co. Ltd. on behalf of Thomas Tilling plc.



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Bid speculation provides all the action

THE GENERAL Election took something of a back seat in the minds of investors this week as bid speculation gripped the imagination. BTR set the mood on Monday by raising its offer for Thomas Tilling, pushing what was already the largest bid in UK stock market history up by £116m to £655m.

But it was Trafalgar House's disclosure of a 5 per cent stake in P & O that provided far more interest than either the publication of the major parties' manifestos or opinion polls that indicated some weakening of the Tory lead.

P & O shares jumped 26p to 190p on the news and became the best performing share of the week. However, the bid speculation did not stop there as the thought that anything might be fair game spurred the FT Industrial Ordinary share index to within 1.6 points of the 700 mark.

By yesterday the approaching election, which the week before had sent the index into sharp retreat, and other uncertainties began to come back into focus and the excitement died away. For gilts it never even started.

Grand Met greater

Grand Metropolitan produced splendid results for the half-year to March on Monday. At £113.6m the 52 per cent increase in pre-tax profits comfortably

LONDON

ONLOOKER

exceeded expectations. The chairman, Mr Stanley Grinstead, warned shareholders not to expect tho same rate of increase in the second half when profits are traditionally higher. Pre-tax profits of £285m or more nevertheless seem quite possible.

Special factors which added sparkle to the result included the benefits of last year's rights issue which knocked £7m off the interest charge, a further £6.5m gain from lower interest rates, and a £5m gain from currency movements. Add to that a mild winter in the UK which boosted business for the breweries and betting shops, and a useful increase in tobacco margins in the U.S. ahead of an increase in duty and tho impressive performance at a time of difficult trading conditions begins to make sense.

Grand Met still, however, bas a lot of work to do on its various businesses. International Hotels is in an expensive period of expansion and refurbishment which, with unexciting occupancy levels, brought profits down £1m at £6.4m. The brewing business continnes to be fairly flat with only odd bright spots like the success of Fosters larger in the south. Food profits, despite a 19 per cent increase in turnover, stayed the same at £15.5m.

The most exciting progress has been in the U.S. where trading profit rose 46 per cent of which some 20 per cent was due to currency factors. Liggett did particularly well from its tobacco business where its "generic" or unbranded range continues to gain market share.

Watney Mann & Truman, a wholly-owned subsidiary of Grand Mot, followed the news of the group results a day later with the announcement that it was raising £50m through the placing of a secured redeemable venture stock dated 2008.

Grand Met likes to keep at least 50 per cent of its debt, presently around £820m, in fixed rate form. Watney Mann had short term borrowings of over £35m. The funds will first of all be used to repay this, with the surplus being lent on to the parent Grand Met. Group gearing at about 55 per cent at the last balance sheet date is not affected by this refinancing exercise, though the structure of the list is improved.

Shell grows

An increase in Royal Dutch/Shell's own oil and gas production helped lift the company's net income by 23 per cent to £508m in the first quarter

If stock losses of £211m—a reflection of falling oil prices—are stripped out, underlying profits grew still further by 57 per cent to £719m.

The weakness of the oil price also enabled Shell to pick up more crude cheaply on the spot—as opposed to contract—market. This fed through to improved refining and marketing margins in West European markets where oil product prices declined much more slowly than the acquisition cost of crude.

At the same time, the weakness of the pound more than offset the falling dollar price of oil, while contributing a £91m exchange gain.

But the most important element in Shell's advance was the rise in North Sea oil and gas volumes as Opec restrained its output and Continental markets held up well.

The North Sea was mainly responsible for a rise in oil production from 689,000 barrels a day to 807,000 b/d, while gas volumes jumped 7 per cent.

Meanwhile, oil and gas profits outside tho U.S. and Canada jumped 38 per cent to £449m. Non-North American chemical operations also improved, producing a profit of £6m against a £3m loss in the first quarter of last year.

In the current quarter, downstream markets have improved, while oil prices have becomo firmer. Rising prices may allow the group to make stock profits to offset a seasonal downturn in energy demand, particularly for gas.

However, the uncertainty overhanging the oil market has by no means evaporated and prices could well come under pressure again in the summer. Nevertheless most analysts still see profits modestly rising.

Falling stars

High flying may be fun bnt at the first sign of turbulence the only way out is down. This was illustrated this week when the stock market's two 1982 star performers lost more height.

London and Liverpool Trust, which last week failed to please with a seven-fold profits increase, saw its shares which at oue stage this year had topped £7, undermined by a weekend newspaper report, later subject of a libel writ from the company. On Monday they fell 40p to 190p.

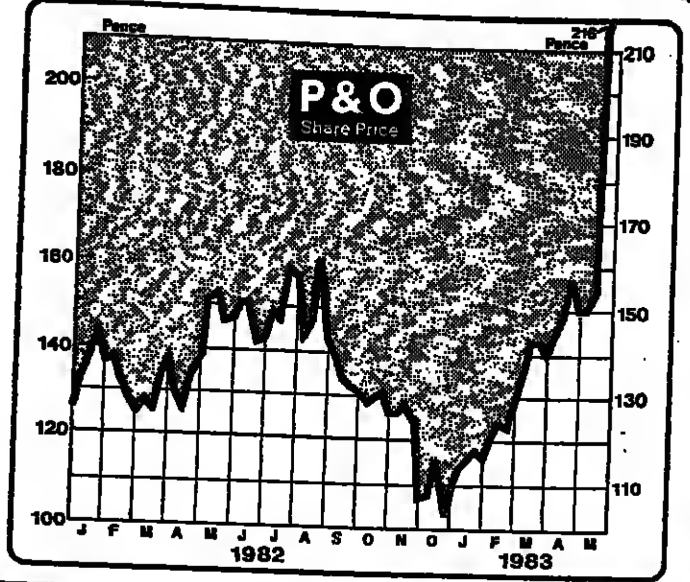
But the real talking point of the week promised to be the halftime figures from Polly Peck, the boxes and fruit packing group headed by Mr. Asil Nadir. Pretax profits were up to expectations with a 164 per cent leap to £8.1m but the financial statement gave little to talk about.

Sales had soared from £7.8m to over £18m and the net interim dividend waa raised 43 per cent to 9p, matching the total paid for the whole of the previous year.

Mr Nadir provided shareholders with a detailed description of activities including the group's attempt to venture into electronics. It has signed final agreements with Thorn EMI Ferguson to establish a plant in Turkey to make colour televisions and video recorders for Middle Eastern markets.

This development could reduce the emphasis of the group's business towards boxes and packaging. Even so, Mr Nadir also reported that in addition to a second corrugated box factory and a third packing plant being constructed in Northern Cyprus, planning was at an advanced stage for a box plant and two packing houses to be built in Turkey.

But the group looks headed for a far more general trading label than this. In its search for new trading opportunities in the Middle East it is about to spend £600,000 on a first step into pharmaceutical manufacturing.



MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Ind. Ord. Index	695.2	+23.5	699.0	598.4	Selective demand/bid speculation
BICC	230	−20	290	223	Chairman's profits warning
Britannia Arrow	76½	+ 8½	76½	42	Spec. demand/annual meeting
Dunlop	77	+24	77	43	Intense bid speculation
First Nat. Finance	60½	+12	60½	39	Bid speculation
Hinton (Amos)	232	−33	278	232	Lower annual profits
House of Fraser	222	+36	222	150	Speculative support
IMI	60½	+ 5½	66	44	Chairman's confident statement
ICI	470	+20	490	350	Revived U.S. buying
Leigh Ints.	88	+15	91	55	Bid hopes
London and Liverpool	152	−78	700	140	Telejector worries
P. & O. Dfd.	216	+68	222	108	Spec. that Traf. Hse. will bid
Plessey	640	+23	650	532	Results due Thursday
Redfearn Nat. Glass	90	−31	127	90	Poor interim results
Regional Props.	234	+41	235	175	Bid from Friends Prov. Life Off.
Shell Transport	502	+16	512	403	Pleasing first-quarter figures
Tilling (T.)	231	+26	231	118	Increased bid from BTR
Trafalgar House	169	−13	184	149	Possible suitor for P. & O.
Waddington (J.)	180	+82	186	88	Norton Opax bid
Whessoe	122	−21	143	100	Costain sells 14.73 per cent stake

A volatile place

WALL STREET, in case you've forgotten, is a very volatile place. Two weeks ago, the mood was decidedly upbeat. Investors had snapped up an enormous volume of new government bonds without batting an eyelid; money rates were going down; and the markets were starting to discount a cut in the Discount Rate. Equities, not surprisnigly, were buoyant.

Today, it all looks rather different. The yield on three month Treasury Bills, which had dropped below 8 per cent in the second week of May, has climbed by nearly balf a point. Guru after guru has been forecasting that rates are unlikely to fall much in the coming months. An dweakness in the bond market has been reflected in a decidedly [illegible] looking performance by equities.

What has changed?

One thing is that people have started to worry about the money supply again, after two sets of decidedly disappointing figures. Friday afternoons have again become a time for nail biting, and last night's figures were being awaited with much gloom.

Budget deficits have also come back into fashionable conversation, as the apparently endless budget debate drones on in Washington. On the economic front, news of a surprisingly strong rise in industrial production during April—the biggest monthly gain since 1975—was taken to mean that the Federal Reserve Board would be under less pressure to encourage a cut in money rates.

Prices in the credit markets at the end of last week stood at levels that could only be justified by the prospect of an imminent cut in the discount rate. The inevitable correction helped to push share prices smartly lower on Monday, and on both Wednesday and Thursday late selling knocked the Dow Jones Industrial Average smartly lower after attempts to rally earlier in the day. On Thursday, the Dow closed below 1,200 for the first time since it broke through that

NEW YORK

RICHARD LAMBERT

barrier in the latter part of April.

But although the tone of the equity market has certainly deteriorated, it wouldn't do to be too dramatic. The Dow is still the best part of 100 points above last month's low point, and the setback from its all-time high in the first week of May has so far only been modest.

Moreover the steady improvement in the economic background is beginning to have a big impact on some sectors. This week some of the major retail groups checked in with excellent figures for the first quarter. In per share terms, Federated Department Stores' net income jumped by a half in the three months, while Macy was up by around four-fifths. Other retailers have been indicating a strong burst of sales growth in recent weeks.

A recent analysis by E. E. Hutton suggests that the retailers' business will continue to strengthen through this year and into 1984. It says that much of this growth has already been discounted in the stock market, where some of the big groups have handsomely outperformed the market average over the past year or so. But it still recommends two high quality growth stocks, Wal-Mart and Dayton Hudson—both of which have lofty ratings—and two cyclical recovery candidates. These are Woolworth, which could be selling at seven times 1984's earnings—and K Mart, on a projected price earnings ratio for next year of around 8½.

Elsewhere on the corporate front, one of this week's newsier announcements came from Time Incorporated, the group best known for its magazine business. It plans to spin off its big forest product business to its shareholders, and although two and two seldom make five, there does seem to be logic in this move.

The big success story at Time recently has been the growth of its video business, where profits have risen from $25m to $186m before interest in the last five years. Publishing profits have stagnated at $106m. The diversification into forest products—mainly the result of two big takeovers in the 1970s—has been looking increasingly irrelevant, and the recent problems of this business (profits last year slumped to $55m) have been holding back the whole enterprise. Time's earnings last year fell from just over $3 a share to $2.50. It's looking for a marked earnings improvement in 1983 which is why its shares stand at around $67.

One story to watch out for in the next few weeks is the mounting drama of the Washington Public Power Supply System, the utility consortium which has run into desparate problems with the construction of five nuclear plants in the Pacific north-west. Its predicament only directly affects the tax exempt bond market, but with over $8bn of bonds outstanding, tho numbers are big enough to have an impact on the financial markets as a whole. It looks increasingly likely that the consortium will default on $2¼bn of bonds in the near future, bnt the final outcome will depend on a series of legal and political battles which are still being fought.

MONDAY	1202.98	−15.77
TUESDAY	1205.79	+ 2.81
WEDNESDAY	1203.56	− 2.23
THURSDAY	1191.37	−12.19

Running away in May

POLITICIANS posturing, weathermen dampening—sometimes, it seems, no news really is good news. For those mining investors who, like so many other folk, harbour a secret desire to get away from it all at the moment, there has been no news this week to disturb the investment decisions already taken.

For many of them, the non-event of the week has been the Australian mini-budget which was previously awaited with a degree of unease. It has contained nothing to affect the mining industry much, either way, notably in the absence of any proposals for the new resources rent tax.

They will come in due course, probably with the country's main budget in August. Intended, it seems, to replace the present cumbersome system of federal income tax, state royalties and other levies, the RRT may well lead to some increase in overall taxation, but to what degree remains to be seen.

At all events, August seems to be a long time away at the moment and even further away is the anticipated sharp expansion in mine earnings which would fall prey to the new tax; basically it is intended that its impact will be small when earnings are low and harder when they rise to above what is considered as "normal."

Perhaps of more importance to tho industry is how well the Australian Labor Government's accord with the trades unions and business there at the recent "economic summit" in Canberra is going to work out. The Government is playing its part in the spending programme to create jobs, outlined in the mini-budget, but will the unions deliver their side of the bargain in terms of wage restraint?

Noranda sees light

Meanwhile, tho now undoubted economic recovery in the U.S., at least, continues slowly to gather pace. Mr Alfred Powis, chairman of Noranda Mines, the major Canadian natural resources group, has estimated this week that copper prices which are just over U.S. 80 cents per pound at the moment will reach 90 to 95 cents by the end of the year.

Profits of the major copper producers are very much geared to the metal price, even though the companies often have other important activities. So Mr Powis has said that if his forecast of the copper price, together with improved prices for aluminium and zinc, proves to be correct, Noranda will

MINING

KENNETH MARSTON

come out of 1983 with a small profit.

This may not seem all that exciting until it is realised that in the first quarter of this year Noranda lost over $29m (£15.1m) before deduction of extraordinary gains of C$22.4m. Furthermore, the company expects to remain in the red in the current quarter, so Mr Powis is anticipating a sharp recovery in the rest of the year.

This gearing is also illustrated by the fact that in the boom year of 1980 Noranda earned over C$400m. Clearly there is a long way to go before this kind of prosperity returns, but Noranda and the rest of the base metal producing industry could produce some impressive results for 1984 if the world economic recovery gathers pace.

While the base metal producers are slowly pulling out of recession, the coal prodncers who previously never had it so good are still in the throes of the down-turn. This is particularly the case in the export market where competition for sales is harsh.

Of course, a great deal of production is sold on a long-term contract basis, especially in the various domestic markets, but extra cream comes from increases in export sales. There is not much of this cream to be had at tho moment. Even the South African producers which operate on a low-cost basis are feeling the pinch.

The Gencor group's Trans-Natal Coal and Clydesdale Collieries, for example, are maintaining profits but both have commented on declining export demand in their quarterly reports this week. This raises the question of how the Anglo American group's big Anglo American Coal Corporation (Amcoal) is now doing in the export market.

In the company's year to March 31 its export production was fully sold and, presumably, there were no major worries on tho domestic front. But in line with the comments of the chairman, Mr Graham Boustred, in June, the previously sharp growth rate in earnings has now slowed down.

They have come out at R113.4m (£66.9m) for the past year to March 31 compared with the equivalent of R105m for the previous 12 months. The latest dividend total amounts to 145 cents (85.6p) against the equivalent of 132.8 cents for the previous 12 months.

These comparative figures are shown in annualised form because Amcoal has changed its financial year-end to March 31 from December 31. The previous accounting period thus covered 15 months during which earnings totalled R131.3m and dividends for the period amounted to 166 cents.

Amcoal has an undoubted long term growth potential as one of the world's greatest coal producers. But pending guidance on the near-term outlook from Mr Boustred in the annual report next month, the shares at £17¼ to yield 4.5 per cent may mark time.

Finally, followers of the fortunes of gold will be interested to know that guidance on this subject is at hand. On Tuesday Consolidated Gold Fields is due to publish "Gold 1983", its latest issue of the excellent annual survey of the world of bullion.

TIN OUTPUTS COMPARED

	April 1983 tonnes	March 1983 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal of Nigeria (columbite)	†	†	†	(†)	†
Amal of Nigeria (tin)	†	†	†	(†)	†
Aokam	51	65	875	(10)	1,106
Ayer Hitam	105	78	947	(10)	1,444
Berjuntai	159	187	2,397	(12)	3,513
CRM Sri Timah	47½	Nil	47½	(3)	156½
Geevor*	72½	89	72½	(1)	†
Gopeng	98½	130	947½	(7)	1,058½
Kinta Kellas	26½	24	389½	(12)	461½
Malayan	482	493	5,100	(10)	7,068
Pahang	†	†	†	(†)	†
Petaling	146½	139	981½	(6)	528½
Rahman	87½	82½	777½	(10)	1,026½
South Crofty‡	†	†	†	(†)	†
Sungei Besi	55	47	55	(1)	85
Tanjong	4½	4½	18½	(4)	41½
Tongkah Harbour	Nil	47	334	(10)	353
Tronoh	33	30	131	(4)	174

* Figures include low-grade material. † Not yet available. ‡ Tin metal in concentrates. Outputs are shown in metric tonnes of tin concentrates.

SAVINGS OFFERS

	Page
H.K. Trust Managers Ltd.	1
Hill Samuel Fund Managers (Jersey) Ltd.	6
Lawson Fund Managers	6
Perpetual Unit Trust Managers Ltd.	7
Mercury Fund Managers Ltd.	8
Guinness Mahon Fund Mngrs. (Guernsey) Ltd.	9

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FINANCE AND THE FAMILY

Covenants of local law

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I live in an extension to our village of 25 detached houses or bungalows, completed seven or eight years ago. The building company went bankrupt not very long after the completion of the whole project. The deeds of each property include many covenants against a variety of activities. Would you please advise me who or what body can enforce the covenants?

The liquidator of the company which sold you the plot can probably enforce the covenant. It is also very likely that the covenant can be enforced by other plot-owners if the covenants were imposed in a manner apt to form a "building scheme" system of restrictive covenants, imposing a system of covenants as a kind of local law. In that event a covenantor can enforce against another covenantor without the intervention of the covenantee.

Non-resident bank interest

Following your reply under "Non-resident's bank interest" on April 16 can you tell me (a) does power of attorney granted for o British resident, by a foreign national, on a deposit account in the UK, make the British resident liable for tax, in the same manner as a deposit account in two joint names, as in your reply? (b) Is the fact that the foreign depositor has given power of attorney for a British resident, disclosed by the bank for the Revenue? ...

(a) Yes, generally speaking.

(b) No; indeed, if the depositor has given the appropriate notice to the bank (under section 17(4) of the Taxes Management Act 1970) that he or she is not ordinarily resident in the UK, the bank will not even disclose the amount of interest to the Inland Revenue.

A power of attorney

I was interested in your reply of April 2 re Power of Attorney and would be grateful for your further help. In 1939 when I went to the war I appointed "my wife ... and my mother and each of them to be my Attorneys and Attorney." My mother has since died. Is this Power of Attorney still valid? If not, could I update it by re-signing and re-witnessing it?

The power in favour of your wife could still be valid but is likely to have been revoked eg if you have acted as principal in connection with the subject-matter of the power since 1939. You should execute a fresh power if you wish your wife to conduct the affairs which are the subject of the power in your stead.

Share dealing in London

I am a citizen of and live in the U.S., and have an account with a bank in Jersey for dealing on the London Stock Exchange through a London broker with a branch in Jersey. Most of the shares dealt in are those of companies situated in Australia or South Africa. Could you tell me, is there a UK income tax liability for dividends, merely because transactions were effected through the London Stock Exchange? Can such tax deductions be avoided in the future?

You can claim repayment of the UK tax deducted from your Australian and South African dividends by completing forms A1 (which are obtainable from the Inland Revenue Foreign Dividends Office, Lynwood Road, Thames Ditton, Surrey, England KT7 0DP). Whether it is administratively possible for any of these dividends to be collected without deduction of UK tax in future depends upon the precise circumstances in each case, so we cannot help you on that point. The bank is probably the best source of guidance, because presumably they know the full background facts.

Title and act of ownership

Some 15 years ago I purchased my present unregistered freehold property from a developer. Between my boundary fence and an adjacent road, there is a narrow strip of land (150 sq yds approx) that is of little value to anyone and which has lain idle and derelict over the full period of my occupancy. I should like to acquire this strip in order to extend my garden and in an effort to discover the owner I contacted my local District Council to inquire about existing interests. The crux of the Authority's reply was that neither it, the County Council nor the developer have any interest in the land and that, should I wish to claim it I would need to grant an Easement to the Welsh Water Authority as a foul sewer runs beneath the site. In these circumstances, can I claim this land under some form of possessory title? If so, could you briefly indicate the appropriate steps to be taken?

You would need to extend your boundary fencing to include all the land in question, and should preferably perform some acts of ownership on it, eg cultivate it. After the lapse of 12 years from the date when you fence off the land you will be entitled to claim that the title of the true owner is extinguished (if he or she is not under a disability). If by then the land is in a compulsory registration area you can apply to H.M. Land Registry for a possessory title. Otherwise there are no formal steps to take, but you should see that you keep careful records of the date and method of your taking possession of the land.

Substitutes for B & B

I understand that as a substitute for bread and breakfast deals to establish a loss towards capital gains tax a share could be sold on the last day of the account and rebought the next day of the new account, thus establishing a loss. Is this so?

Yes, selling at the end of an account (Friday) and buying at the beginning of the next one (Monday) will produce the same CGT consequences as old-style bed and breakfast did before April 6 last year. However, your broker (or bank) may well offer you a cheaper alternative, eg bargains for settlement on consecutive days.

A failure to complete

My wife and I have exchanged contracts to buy a house on the basis that "completion shall take place one month after the vendor shall give to the purchaser notice in writing of her desire to complete on June 30 1983 whichever shall be the earlier." The rest of the contract of sale is "The Law Society's Contract for Sale (1980 Edition)." Upon re-reading the contract it seems to me that it barely addresses the situation where the vendor fails to complete. It merely states in paragraph 23 (7) that the purchaser can have his money back. The same paragraph refers to other rights and remedies available to the purchaser. Could you please tell me what these rights and remedies are as well as whether there are any steps we should take in preparation for a failure to complete and whether there are any pitfalls to be avoided?

The purchaser will be entitled to seek specific performance of the contract immediately after June 30 1983. Condition 23 (7) of the Law Society's Conditions of Sale (1980 Edition) only give the purchaser the *option* to serve a notice requiring repayment of the deposit plus interest in place of his right under the general law to seek specific performance. If the purchaser wants to claim damages instead of specific performance he must first serve (after June 30 1983) a completion notice, making time of the essence and, in practice, giving the vendor 21 days after service of the completion notice in which he still has the opportunity to complete. On the expiry of a completion notice the party who served the notice must decide whether to accept the repudiation of the contract (and rely on his claim for damages) or pursue a claim for specific performance; and if he opts for the former must give the other party notice of his acceptance of the repudiation of the contract.

YOUR SAVINGS AND INVESTMENTS—1

Barry Riley studies the party manifestos

The mixture as expected

THE three main party election manifestos published in the past week or so tend to confirm the stereotype images of the various political approaches to savings and investments.

Only the Conservatives make any great show of encouraging savings. "We want to encourage wider ownership," says the Tory manifesto. "This means lowering taxes on capital and savings." But readers may find it odd that the party claims to have made "big reductions in the investment income surcharge" bearing in mind that it remains at 15 per cent as in the days of the Labour Government—though admittedly the starting point has been raised.

The Labour manifesto proclaims the chilling judgment that "there is no shortage of savings in the country available for borrowing today." which makes it clear that the saver is regarded very much as a means to a Labour Government's end.

Labour will inhibit investors choosing the currency or overseas investment that they prefer. Or, in its own words, by imposing exchange controls it will seek "to counter currency speculation and to make available — to industry and government in Britain — the large capital resources that are now flowing overseas."

The Alliance manifesto almost manages to ignore investors entirely, except in so far as they affect one or two of its social objectives. Thus, further incentives are proposed for employee share ownership, and increased aid is promised for those saving towards a first house purchase. But on the general opportunities for the saver, there is silence.

The Tories resolutely insist that "a responsible financial strategy" is a cure for most ills. "With lower inflation, businessmen, families, savers and pensioners can now begin at last to plan and budget ahead with confidence."

On details, however, there are no real commitments. Although Professor Gower, for instance, has been beavering away on investor protection at the Government's request, there is no specific promise that action will be taken.

Strangely, perhaps, Labour is rather more forthcoming in this field. Its manifesto promises a Securities Commission which will regulate the institutions and markets of the City "within a clear statutory framework." There is a strong suspicion, of course, that Labour is not so much interested in protecting the investor and cleaning up the less savoury corners of the City as in gaining control of new sources of capital.

Certainly Labour plans a National Investment Bank which will cream off money "by agreement" from private institutions like pension funds, and will direct it into "our industrial priorities." Nor will that be the full extent of interference in pension fund investment. There will also be something called a tripartite investment-monitoring agency which will "advise trustees and encourage improvements in investment practices and strategies."

Both the Labour and Conservative parties, however, seem to share a belief that action needs to be taken on other aspects of occupational pension schemes. The Tories promise to consider how the rights of so-called "early leavers" can be better protected, and indeed the Secretary of State for Social Services in the outgoing Government, Mr Norman Fowler, has proposed an early conference at which various factions within the occupational pensions movement can hammer out a solution. The Tories also want scheme members to be given fuller information.

Labour goes further, promising a Pension Schemes Act that will not only deal with the early leaver problem and the information gap but will also "more adequately protect occupational pensions from the effects of inflation." It does not say who will pay for such improvements.

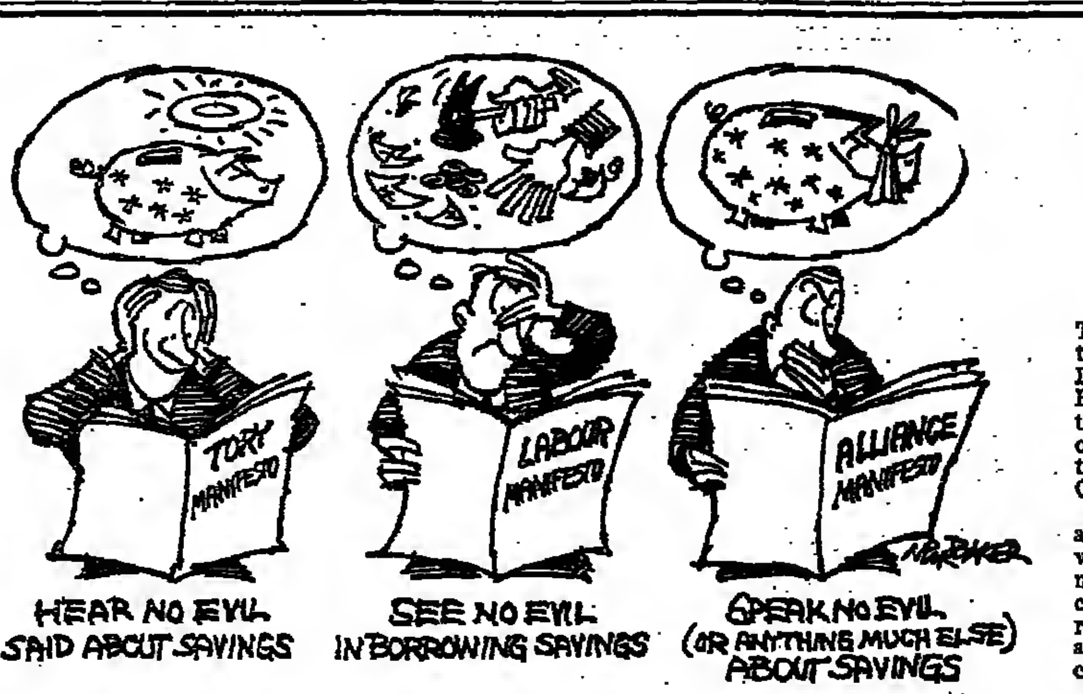
The Labour manifesto also promises to make progress towards a common pension age of 60—another potentially very expensive objective both for the State and occupational pension schemes.

Do Labour's intentions of slapping on exchange controls and directing institutional investment into politically favoured channels threaten serious trouble for investors? The crumb of comfort here, perhaps, is that the immediate effects of such restrictions are not always what might be expected.

Thus when the French Socialist Government embarked on a similar bout of exchange clampdowns and nationalisation a couple of years ago, many French investors actually did very well out of it. Those who had investments abroad found that not only did they appreciate sharply in terms of the devalued French franc, but that a soaring investment currency premium added extra profits on top.

The ending of exchange controls by the Tory Government in Britain in 1979 led to sizeable immediate losses for many British investors, and the stock market as a whole took several years to get over the bracing impact of Thatcherism.

But the last 18 months or so of the Conservative regime have been very much more profitable for investors—most of whom will no doubt be quite sure on which side their bread is more likely to be buttered.



Safeguarding against Labour

AT THIS stage in the election campaign the opinion polls and the bookmakers do not give the Labour Party much of a chance of winning. The chances of a devaluation and the reimposition of exchange controls therefore look small.

Nevertheless there has been a renewed flurry of interest in the Channel Islands-based currency funds and in other forms of foreign currency vehicle—which in any case have been on a rapidly rising trend of popularity. London stockborkers L. Messel estimate that the equivalent of more than £500m has been invested in the Jersey and Guernsey "roll-up" funds, and could increase by anything up to £1bn over the next year.

Some really big guns are now being aimed at this market. This weekend the U.S. giant Citibank is launching its own version, called Channel Islands Transatlantic Investment Funds, which conveniently contracts into the name Citifunds.

It follows closely on the heels of the UK clearing bank National Westminster, which last week advertised the prospectus of County Bank Currency Fund. The inital offer does not expire until Thursday, but the word from County Bank—the merchant banking subsidiary of Natwest—is that the demand for prospectuses has been "very, very good—fantastic."

Both banks strongly deny that these offers have been timed to attract pre-election funk money. "It takes six or nine months to get one of these things set up," says Rob Bradley, a vice-president at Citicorp International Bank in London.

All the same, election uncertainty could serve to get the new ventures off to a good start. As it happens, the Citifunds' initial offer expires on June 6 —just three days before the general election.

It is said that at least one other big bank is in the wings, and is about to launch its own similar vehicle. Such banks have been attracted by the visibly large demand already being tapped, notably by the market leader, Rothschild's Old Court International Reserves in Guernsey which has pulled in sums totalling the sterling equivalent of near £400m.

County Bank's Angela Bunbury reports that demand has been well sustained after the good initial response to the publication of the prospectus on Wednesday last week. "So far from diminishing, interest seems to be increasing day by day," she reports.

Although the County Bank fund was primarily aimed at the corporate market, there have been many applications from private individuals. Angela Bunbury accepts that many small investors are being influenced by the political situation. "They are being pushed to do something earlier rather than later because of the election," she says. A strong regional interest from the north is a noticeable feature of the flow of applications.

The County Bank fund has set £50m as a near term target, and aims at £100m before very long. As for Citifunds, Rob Bradley is also optimistic. "We believe we can get a reasonable market share," he says. "We would hope for between £75m and £100m within a year."

The general principles of these funds are similar: they allow investors to try to take advantage of currency fluctuations (though quite a lot of the money is actually held in sterling) and they roll up highly taxed income into capital gains which usually incur a smaller tax penalty. The lack of income tax also makes them attractive to offshore investors.

There are, however, detailed variations. Some funds are really in the nature of offshore bank deposits, and are primarily aimed at company treasurers who want quick withdrawal terms and economical currency switching facilities. But some, like Old Court, will accept quick small sums from private investors.

Others are structured more like unit trusts. An example is Guinness Mahon's International Fund which celebrated its third birthday this week. It is a managed fund, so that investors leave it to the advisers to decide which currencies should be held by the fund—which is, currently invested in yen as to 40 per cent, sterling 25 per cent, Deutschemarks 20 per cent and dollars 15 per cent.

Although relatively small at some £10m, the GMIF has doubled in size within the past five months and the managers plan to set up individual currency facilities for five currencies by August.

Citifunds aims to provide a similar spread of facilities from the start. Investors can choose between individual holdings in sterling, dollars, Deutschemarks, Swiss francs or yen, these carrying 1 per cent annual charges, or they can go into a managed fund. This is naturally more expensive, with a 2 per cent annual charge, and a 2½ per cent front end charge for investments under $10,000 (or the equivalent in other denominations).

The higher level of charges will mean that the managed fund should be viewed as more in the nature of a longer term investment. It also involves an act of faith in the skill of the managers, who will aim to make the most of exchange rate and interest rate swings.

Other kinds of foreign currency funds are also being promoted in the UK. For instance, BIA Bond Investments is a Swiss bond fund which has been marketed with some success to pension funds and a number of private investors.

Based in a low-tax Swiss canton, BIA offers some of the same roll-up advantages as the Channel Island funds, and it could turn out to be more profitable if an investment currency premium were ever to reappear after the reimposition of UK exchange controls. But it is necessary to believe that the Swiss franc will always appreciate against sterling in the long run; otherwise Switzerland is a rather costly place in which to invest.

In the short term, meanwhile, the Channel Island currency funds are preparing for a busy few weeks, which could become hectic if the opinion polls swing Labour's way. Nobody can remember an election which could potentially have such far-reaching exchange rate implications, and some foreign exchange dealers in London are planning to stay open all night after the polls have closed on June 9.

B.R.

Hedging bets in the markets

BY CHARLES BATCHELOR

THOSE COMPLEX two additions to the financial scene, the London International Financial Futures Exchage (LIFFE) and the Stock Exchange's traded options market, are proving their worth in the run-up to the General Election.

Both markets have been achieving record trading volumes in the past two weeks, much of it—particularly in the case of the options market—the result of investors hedging against the uncertainties created by the election.

The use to which the markets are now being put provides evidence for their backers that they fulfil a useful economic function and are not merely centres of speculative activity.

The traded options market—just over five years old now but still struggling to establish itself—traded 9,115 contracts last Monday, 60 per cent more than on its previous record day.

The seven-month-old LIFFE, which seems set to achieve a faster rate of growth than the options market, also recorded an unprecedented level of trading on May 11 when 7,672 contracts changed hands.

"When investors expect share prices to be volatile in either an upward or a downward direction it can be safer to put 5p or 6p into an option rather than go out and buy the shares," commented one stockbroker.

"You could lose some of the profit if the share price goes up but it goes down sharply you would only lose your option money and not a large part of the share price. The present environment is made for the option market."

Traded options can be used in a number of ways to insure against pre-election uncertainty.

An investor could put his money into options instead of shares. Since the price of the option is only a fraction of the price of the underlying share he need commit only a small part of his funds to, say, buying a "call" option, giving him the right to buy the shares themselves at a future date.

If the share price rises sufficiently he can exercise his option and buy the shares. If the share price falls he simply allows the option to lapse.

Allowing the option to lapse means the investor has lost his entire outlay but this can be considerably less expensive than buying the underlying shares only to see them fall sharply.

Similarly, an investor who already owns shares could dispose of his holding and put, say, 90 per cent of his money into fixed interest stocks, using the remaining 10 per cent to buy options which would allow him to buy back his shares at an agreed price.

An investor expecting a market fall could also sell a "call" option on his shareholding to someone who believes the share price will rise. If the price does fall or remains steady the buyer will have no interest in exercising his right to buy but the seller will have received his option premium payment. This will give the seller a small profit if prices remain steady and reduce his loss if they fall.

Activity on the LIFFE market has also been boosted recently by a growing awareness of the possibilities of hedging risks although increased arbitrage business between LIFFE and the U.S. futures markets and between LIFFE and the cash markets has also been a factor.

A company which knows it will need to borrow funds or require an amount of foreign currency at some future date can "lock into" an agreed rate of interest or rate of exchange by buying a futures contract.

Both LIFFE and the traded options market are proving they can be most useful when other markets are particularly volatile. Some of this business is bound to die away once election uncertainty is over but their backers are hoping that some of the investors they have attracted will be there to stay.

County Bank's Angela Bunbury reports that demand has been well sustained after the good initial response to the publication of the prospectus on Wednesday last week. "So far from diminishing, interest seems to be increasing day by day," she reports.

Although the County Bank fund was primarily aimed at the corporate market, there have been many applications from private individuals. Angela Bunbury accepts that many small investors are being influenced by the political situation. "They are being pushed to do something earlier rather than later because of the election," she says. A strong regional interest from the north is a noticeable feature of the flow of applications.

YOUR SAVINGS AND INVESTMENTS–2

Touche Remnant enlarges its portfolio management service: **William Dawkins** reports

Extending benefits to the not-so-rich

TOUCHE REMNANT, the leading fund management group, will this week extend its portfolio management service to smaller investors by setting up a unit trust portfolio selection operation.

Last October, Touche Remnant Financial Management opened an equity portfolio management service aimed at people with more than £25,000 to invest. The new service is aimed at investors below that level, down to £10,000, who would find it uneconomical to build up a wide spread of pure equity holdings.

For the many individuals who feel confused by the vast range of more than 500 unit trusts available, services like this represent an easy way to avoid the pitfalls which such a huge choice of investment opportunities may contain. There is no need to be an expert on world equity markets.

But like most services, this one does not come free. Touche Remnant charges ½ per cent of the value of the portfolio annually as an administration fee, subject to a minimum of £75 a year which is roughly in the middle of its competitors' range.

More importantly, investors should be aware that trading in unit trusts does involve heavy underlying charges. On purchasing a unit trust, the trust company will make an initial 5 per cent management charge, part of which it will use to pay the intermediary — in this case Touche Remnant — a commission, usually 3 per cent.

Touche Remnant says that if it can use the financial muscle it derives from the £1.9bn funds it currently manages to increase its commission above 3 per cent, it will pass on the difference to the customer.

In addition, there is 2½ per cent stamp duty, and the unit trust's own management charge, usually around ¾ per cent annually.

The latter will be deducted from income at source, so there is a risk that some investors may not notice it. When choosing a unit trust portfolio management service, it is therefore wise to add ¾ per cent to the advertised administration fee to include the charges of the trusts within a portfolio.

In Touche Remnant's case, sales are free; an advantage which stockbrokers providing the same service generally do not offer — although stockbrokers' management charges tend to be lower.

Purchasing costs would be unimportant if the portfolios were to remain static. But Touche Remnant's service, in line with the dozen or so others on the market, is discretionary. This means your portfolio manager can buy and sell on your behalf and you will be unable to predict the costs he will incur in doing so.

However, Mr Roger Young, managing director of Touche Remnant Financial Management, points out: "Obviously

Roger Young, Managing Director of Touche Remnant Services

we would only make switches that would leave the client better off at the end of the day."

Brian Tora, a director of the company, emphasises: "We are *not offering* people unit trusts any more cheaply than they could get them for themselves, but on occasions we believe we may be able to offer them a *discount* which we have negotiated."

Apart from the prospect of any discounts, the advantage of Touche Remnant's service is that it offers a high degree of individuality. Like others in the field, it groups clients into roughly four groups: high income, capital growth, a combination of income and capital, and offshore investors. But each portfolio will be different and people who have an aversion to, say, gold stocks or Touche Remnant's own four unit trusts, will be catered for. Normally, though, the company envisages that the average portfolio will contain around 30 per cent in-house trusts.

Clearly, the service is a useful way for Touche Remnant to create demand for its own unit trusts. But the group has an almost equal incentive to buy outside because of the commission it earns.

In return for the management fee, clients receive contract notes as soon as transactions are made, plus half-yearly valuations and capital and income accounts at Henry Ansbacher bank, in whose *parent* company Touche Remnant has a 20 per cent stake. The bank provides quarterly statements for both accounts and cash held for investment earns interest at 1 per cent below base rate.

There is also the use of Touche Remnant's extensive research service and personal financial planning from Hill Martin of Bristol, an associate of the group.

Another company to throw its hat into the unit trust portfolio management ring this week is Aitken Hume, which looks after £100m of investors' funds and has run a discretionary investment management service since 1959.

The management fee is 1 per cent of asset value and the service, which is for sums over £10,000, also offers the chance to invest in currency funds. Unlike Touche Remnant, the company itself — as opposed to an outside body — holds clients' bank accounts. Aitken Hume is a licensed deposit taker.

The fact that dealing expenses are involved is not quite so clearly stated in Aitken's publicity literature as it is in Touche's leaflet. In other respects, their terms are similar and Aitken also hopes to offer discounts by buying in bulk.

For even smaller investors, stockbrokers Hoare Govett run a similar service down to a limit of £6,000, with a management fee of ½ per cent.

To avoid management fees, beyond those already charged by the unit trusts you are investing in, go to Capel Cure Meyers, who also offer income on a monthly basis.

Although stockbrokers do charge commission on sales, they argue that they are likely to give more impartial advice than groups offering portfolio services containing their own trusts.

Barclays ups the ante on a Saturday

THIS WEEK Barclays Bank decided to increase the charge for cashing other banks' cheques on Saturdays from 50p to £1. The week-day figure will remain 50p, a charge which Barclays first introduced in September 1981. It was Barclays' decision to levy the 50p charge which triggered other banks' retaliation, and that is the history of why the High Street customer can no longer cash cheques at the various banks without usually paying 50p for the privilege.

When Barclays first introduced *the* 50p cheque charge in 1981 it complained that it was forced to do so because it was cashing 24m cheques a year for other banks and the other banks were only cashing 12m Barclays cheques. The idea was to clear the Barclays halls for proper Barclays customers.

Then came the Great Saturday Opening Scheme of 1982: Barclays reversed a 13-year-old policy and became the first and only big clearer to open High Street branches on Saturday mornings — some 430 in all. The idea was to attract extra deposits and new accounts, but the other banks said the main result was bound to be to encourage people simply to cash cheques on a Saturday morning. Their alternative response to this need was to work on expanding their cash dispenser networks in Britain.

Since last September Barclays has repeatedly refused to reveal just how much its Saturday venture was attracting in the way of additional deposits. Its only two revelations have been that the annual cost of Saturday opening is £4.5m and that the Saturday programme is "a success."

On Thursday of this week Mr Owen Rout, a Barclays general *manager*, said the response to Saturday banking was very encouraging but customers of other banks are making increasing use of Barclays' counters. Barclays has already cashed more than 100,000 non-Barclays cheques at its Saturday branches.

"Our Saturday staff are limited in number and we must enable them to provide the best possible service to our customers," explained Mr Rout.

Another Barclays executive put it this way: "If they don't like the new £1 charge then let them open a Barclays' account."

One of Barclay Bank's arch-competitors was quick to respond to the £1 charge. Whipping out a calculator, this banker did some quick number-crunching.

"They say they have cashed 100,000 non-Barclays cheques this year and because of this burden they have to impose a £1 charge. Okay, let's see what that means: There have been 20 weeks in this year so far; that is around 5,000 cheques a week. Barclays has 430 Saturday branches; that is an average of 11.6 cheques per branch per Saturday. The branches are open three hours on Saturdays; that is an average of 3.9 cheques per hour—is that such a burden that they need to slap a £1 charge on the cheques?"

Barclays answered these calculations by saying that some *branches are busier than others* and the law of averages does not apply here. This point, however, has yet to be made to a Birmingham housewife who simply wishes to cash a £10 cheque. Should she pay £1 for the privilege?

Alan Friedman

PROPERTY

Suffolk soufflé on the menu

BY JUNE FIELD

WHEN SOME visitors came to Hintlesham Hall, Suffolk, in the 19th century, they were met by mounted retainers at Colchester, 17 miles away, and along the half-mile drive to the house were received by an entourage carrying torches.

Although this is about a place for sale, with the vendor a widely acclaimed connoisseur of food and wine, the particulars will inevitably be garnished with gastronomic references.

I have known Bob Carrier since the late 1950s when, as a public relations consultant, he promoted Brown and Polson cornflour at a five-hour Chinese lunch. I still have the Happy Coat and chopsticks we were all given.

It impressed me nearly as much this week that the present owner, Robert Carrier, restaurateur, author and cook *par excellence* should be waiting for me outside the porticoed entrance of his home and former world-famous restaurant.

I was escorted along the 64 ft hall that was once a chapel, to the magnificent Carolean drawing-room that is now his sitting-room. The impressive plaster ceiling has been called among the best of the late 17th century.

Behind a cut-away section in the fireplace wall a little bar has been fitted, and from here Robert Carrier poured some kir (chilled white wine and blackcurrant liqueur), in glasses practically the size of soup bowls.

An American with a German mother and Irish born father who was a New York real estate lawyer, Bob preferred to use his French grandmother's name of Carrier rather than the family one of MacMahon; and it was a French woman, Fifine, in St Tropez, who first interested him in cooking. After going to Paris at the age of 22, and working in radio, he came to England to see the Coronation and has stayed ever since.

He never regretted the decision, becoming world-renowned for his cook-books, cook-ware shops, cookery cards and food columns in newspapers and magazines, as well as for his consistently successful restaurant, Carrier's, in London's Camden Passage, which he opened in 1967.

Almost unbelievably 60 in November, he says he now intends to take things a bit easier, concentrating on writing and television appearances. The "Food, Wine and Friends" TV series became a book and, unusual for him, he is currently doing commercials, and he wants to spend four or five months in Marrakesh, restoring his latest project, *Dar El Mentoub*, an ex-governor's old palace.

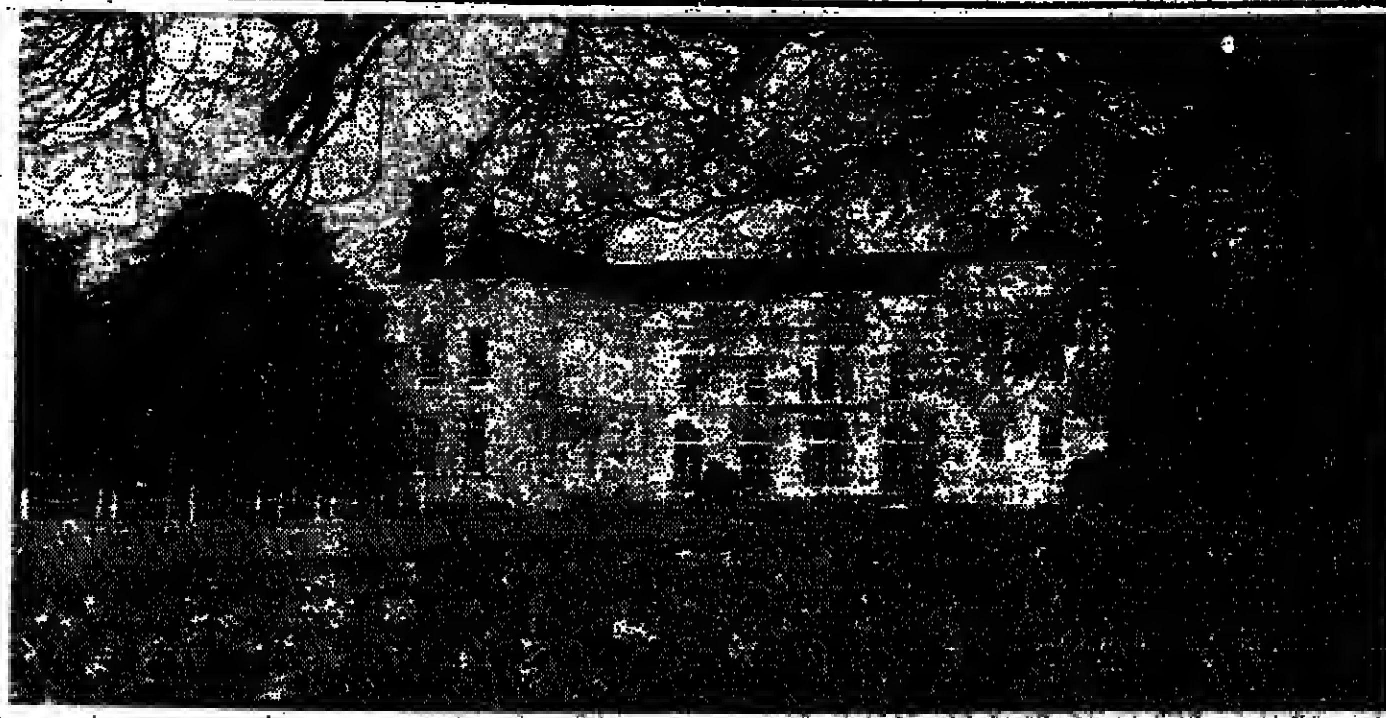
Hintlesham Hall, with its former cookery school in the Old Brew House, its old bake house, coach house, lodge, disused orangery and tennis court, is in 18 acres of pleasing East Anglian countryside, complete with a herb garden laid out *parterre* style. It went on the market this week through Stephen Perks, Hampton and Sons, 6 Arlington Street, London, SW1.

The price is £750,000, and Carrier says he will throw in the cook and the gardener. He wants to take some of the furniture to Morocco, but agrees that quite a bit of it would be too heavy for a hot climate. So a buyer might get his elaborate state bed said to date from George I, with its rich velvet hangings, the chairs from Hampton Court, and various Gothic-influence pieces.

A pew in the local church goes with the property, but unfortunately the Lordship of the Manor documents, which go back to the ownership of the Baron of Ickworth in 1713, have just been sold through Strutt and Parker's Chelmsford office, to an overseas buyer for just under £5,000.

"Then there are three legendary ghosts, a secret passageway across the fields, some 14th century cellars, and Tudor attics. I lived here for three months before I opened a door in a top passage and discovered another whole suite of rooms!" says Bob, who still retains great enthusiasm for the place.

Robert Carrier is Hintlesham's seventh owner since Sir Thomas Timperley, a cousin of Queen Elizabeth I, who built it in 1578 on the site of a former house owned by his family for over 200 years. You can read the full story in *Timperleys of Hintlesham — Story of a Suffolk Family*, 1931, by Sir Gerald Hemmington Ryan and L. J. Redstone. (Later the house passed to Richard Powys, a principal clerk to the Treasury, then to Richard Lloyd, Recorder of Ipswich, and in turn to the Anstruther-Lloyds; it was bought in 1908 by Sir Gerald Ryan).



Hintlesham Hall, Hintlesham, Suffolk, Grade I listed 16th century house run by its own Robert Carrier as a restaurant until recently. For sale with 18 acres, a cookery school, coach house, stable block and orangery for around £750,000 including some fixtures and fittings. Brochure from Stephen Perks or Robin Merrett, Hampton and Sons, 6 Arlington Street, London, SW1 (01-493 8222).

In 1938 the Scott-Stokes family bought it and Antony Scott-Stokes founded the Hintlesham Festival there, which Robert Carrier kept on for a while after he bought in 1971. The house cost him £32,000 and a great deal more to restore. "Death-watch beetle, dry rot, the lot," says Bob. "But what else can you expect of old houses?" He insists that for him it was the realisation of a dream and that for years he had been obsessed with the idea of rescuing a beautiful but crumbling old English country house. He bought the place practically sight unseen, through friends' recommendation, selling his five-storey house in St. Tropez to pay for it.

Compared with two other grand Suffolk hall houses which have changed hands in recent years — Hevingham and Helmingham — Hintlesham, although listed Grade 1 is modest and cosy, even if a trifle theatrical in decor. Now that the restaurant which Carrier ran there is closed (last orders were on New Year's Eve), it is evident that the rooms could quite easily revert to their original use.

Bookcases still line the walls in the library, the "China" Room is a perfect background for a collection of blue and white pottery, and the Justices' room, so called because this was where the local court sat, a foil for the numerous paintings of learned legal men. Only the Great Saloon is rather grand. It was decorated to achieve the grey-blue marble effect found on a fragment of the original hall, while the walls have a special "drag" finish, popular in the 18th century.

The "personal" kitchen was once the billiard room, and leads on to the garden. The oven is concealed by a *trompe l'oeil* painting over the door, as Carrier avers that he does not like the thing *staring* at him; the circular island unit with preparation top and waste disposal unit sits on a Victorian pub table. The floor has a hand-painted surface which gives a stencilled naive effect, the walls are hung with paintings of dogs, and the chairs and *chaise longue* covered in a cool blue-and-white check. The whole ambience is French provincial.

Lunch at the scrubbed pine 17th-century "game" table was specially cooked in front of me, supervised by the master. It was *paté* of sweetbreads with cranberry sauce, asparagus prepared from a 17th-century recipe, *sauté de boeuf minute* with a sauce that had been marinating three hours, and *blanc et noir*, whipped egg whites with a rich chocolate pudding. The 1966 *Romanée-Conti* was perfect, even though it did not come from the cellars because Bob could not undo the lock!

So who will buy this Suffolk soufflé? Its pale custard cream frontage with a frothy white meringue trim on the windows and edges of its two projecting wings makes it look about good enough to eat. Pop star or Saudi prince, galloping gourmet or English country gentleman? It may take time to find another entrepreneur with the style of a Carrier to take it on.

Richly decorated staircase wall at Hintlesham Hall, Hintlesham, Suffolk. The carved staircase is reputed to be by Grinling Gibbons.

هكذا من الأصل

LEISURE

Not a scene from "Lawrence of Arabia" but a dromedary caravan of tourists near the Fire Mountains of Lanzarote.

Black and gold volcanic isle

TRAVEL

LAILAN YOUNG

LANZAROTE is not unspoilt. It is completely devastated. But there are charms for those who love open spaces, golden beaches and weird, tumultuous landscapes.

Our first impression on leaving the airport was that we had chosen to take our holiday on a slagheap, so bleak, black, and desolate this most northern of the Canary islands looked. Six years of continuous volcanic eruption from 1730 and a further disaster in 1824 covered two-thirds of the island in raw black lava and cinder.

Now, the small and widely scattered developments of dazzling white buildings with bright green woodwork come as welcome relief to the eye, but to those who think that "development" is a dirty word. It sounds even worse in Spanish: *urbanizacion*.

The island has but one town, Arrecife with its single high tower hotel block, untidy jumble of narrow streets, a short and pleasant promenade with two coffee-stands, and the *castello* of San José, now converted into a museum of contemporary art with a splendid glass-fronted bar with views across the water to the main island port.

The only other major *urbanizacion* of any size is along the coast westwards from Arrecife at Puerto del Carmen, where the beach is long and wide enough to accommodate the occupants of the pleasant low-rise apartments that line the coast and immediate hinterland. This is also the only beach resort on the island, and supermarkets, terrace cafes, restaurants (Spanish, pizzas, grills, Chinese, Mexican) and boutiques vie for custom.

In del Carmen's old port old men and youths play boule and local dogs, looking like a cross between a Pekinese and a corgi, sprawl in the sand long after sundown. A pleasantly decorated restaurant here is El Varadero—all cool apple green and white — and worth visiting for the Grand Marnier ice cake in a coulis of strawberries.

It is vital to rent a car to explore the island. The best beaches are at Puerto del Carmen and Playa Blanca in the "deep" south where Casa Salvador offers reasonable fish dishes. Along the south-east coast are vestiges of tracks that lead across bumpy terrain to less frequented beaches. At one we saw two well-built, blond, naked men tossing a frisbee about.

The island is 313 sq miles and can be explored with ease by roads that are never crowded. The Fire Mountains are the principal attraction where, in a single line, cars are escorted by a motorcyclist around, below and beside volcano craters. The restaurant grills its meat by the fire of a volcano. The mountain terrain is, as the guide book suggests, lunar, although amongst the awesome *lava fields* moss, scrub and small yellow and purple wildflowers cling tenaciously to life.

Most of the island is dry and barren, yet the farmers eke out an existence from the soil — onions, garlic and vines are carefully surrounded by protective windbreaks made of straw or piles of lava. Cactus plantations suddenly appear in the desert, their bright pink fruit and the cochineal beetle that lives on the plant both providing a family with a livelihood.

It rarely rains but the peasant farmers have developed a system of spreading layers of black volcanic soil over their land; this absorbs humidity from the air at night and miraculously allows a modest living from the soil. The climate is spring-like, with occasional hot days when the temperature climbs into the high eighties.

The west coast is wild and lashed by winds and surf, yet a tiny fishing boat puts out to sea between the rocks at Guinate. At the northernmost tip is one of those attractive Lanzarote belvedere-bars high on the cliffs overlooking the very blue El Rio sea and the island of Graciosa. Here, as in many parts of the island, you can see down the craters and feel closer to Vulcan than to Nature.

Graciosa's golden beaches can be reached by a 20-minute boat ride from Orzola. We met an executive from Las Salinas hotel who had spent a relaxing weekend there in a modest guest house, paying just £10 for three.

By contrast to the bleak terrain of most of the island, the areas around Femés in the south and Haria in the north are *positively lush and verdant*. Haria lies in a valley where palm trees and a few fig and lemon trees defy the lack of rain and stay alive. We saw a dromedary stable at Uga in the Femés region and guessed that this was the resting place of the dromedary caravan that transports tourists across the smoking cinders near the Fire Mountains.

On the north-east coast at Jameos del Aqua a splendid piece of subterranean *urbanizacion* has successfully converted a huge cave into a quite superb *tapis* bar and twice-weekly night club. Here in the waters of the lava rock live thousands of minute, blind crabs, oblivious to the displays by local singers and dancers and the clinking of glasses filled with the wines of Lanzarote—rustic, grapey and as long as you don't drink too much—forgettable.

Cave-lovers will enjoy the vast caves at Los Verdes (one mile of galleries) and anyone attracted by villages will want to see the ancient capital of Teguise beneath a 16th century castle perched on a volcano crater's edge and Yaiza, called the neatest village in Spain, its trim white bungalows with green-edged wind towers and bright red geraniums dazzling against the black cinder ground.

Lanzarote will appeal to anyone who wants or needs a quiet spell away from a busy life. Thomas Cook organise self-catering holidays and half-board at the five-star, ziggurat-shaped Las Salinas Sheraton where every room has a seaward-facing balcony surrounded by flower beds.

The local departure procedures at the airport are sufficiently congested and inefficient to remind you what you have been getting away from, and if your Dan Air 727 is almost fully loaded, an extra refuelling stop on the Spanish mainland turns the four-hour journey into five-and-a-half.

● Thomas Cook have apartment holidays from £227 a week for four (sharing) and from £303 per person a week in hotels this summer, air fares included.

Sovereign and Wings include Las Salinas in their holiday brochures.

British Caledonian, British Airtours and Dan-Air have charter fares from £160.

An enormous trout snout

FISHING

JOHN CHERRINGTON

THE WEATHER was most unpropitious for the dry fly. The beat open with little shelter and a howling South Westerly wind of which the best thing was that it was blowing straight upstream. The main river was very full, grey and in half an hour's stroll up the bank showed no movement of fly or of fish. Even the water birds had retreated to the shore.

Discouraged I moved to the carrier which flows behind the stews in which the trout are reared. This is always full of big uncatchable fish who sense one's every move on the bank and however long your nylon cast, or leader as the Americans call it, know by instinct that the fly floating down on it is attached to something dangerous. But at least I thought I would see some fish and mark the surge of their flight through the shallow water.

There was a little fly here. I saw none on the water but there were some hawthorne flies with their long legs hanging in the air around the bushes at one end of the stream. But what was more interesting to me was the fact that the upstream wind was making quite a ripple and this should help to conceal both myself and the line from the fish. The conditions were in fact suitable for trying to tempt a fish to the fly by simply allowing it to float down stream over known lies, which after a quarter of a century on the fishery I knew by heart.

Such tactics are eschewed by the purists who tell you they would sooner remain idle than go in for such speculative fishing. But I must tell you that in a long association with the purists I have never seen one deny himself the chance of raising a trout when all else fails. And nowadays when rising trout seem to have abandoned the Test for quite long periods, for reasons no one really understands, who can blame them.

But I did not have to worry myself about these abstruse ethics. As I approached the water I noticed quite a bit of movement in the first known lie.

At first I thought the fish was nymphing as all I could see was the dorsal fin and then the tail in a sort of porpoise motion. I have no hawthorne flies but put on a sizable Coch-y-Bondhu with a thick body and hackle. This is a good all purpose dry fly for well rippled waters and I have used them in loch fishing as well. They could represent almost any fly hatching on the surface and saves me having to learn too much entomology. I don't believe a hungry fish goes by the book either.

This particular fish took the fly immediately and turned out to be a grayling of about ½ lb. Grayling are public enemies on this beat and are destroyed or removed by electric fishing but the river would be a very dull place without them. From the size of this fish upwards they make good if boney eating. A good tip is to scrape the scales off on the bank as soon as caught.

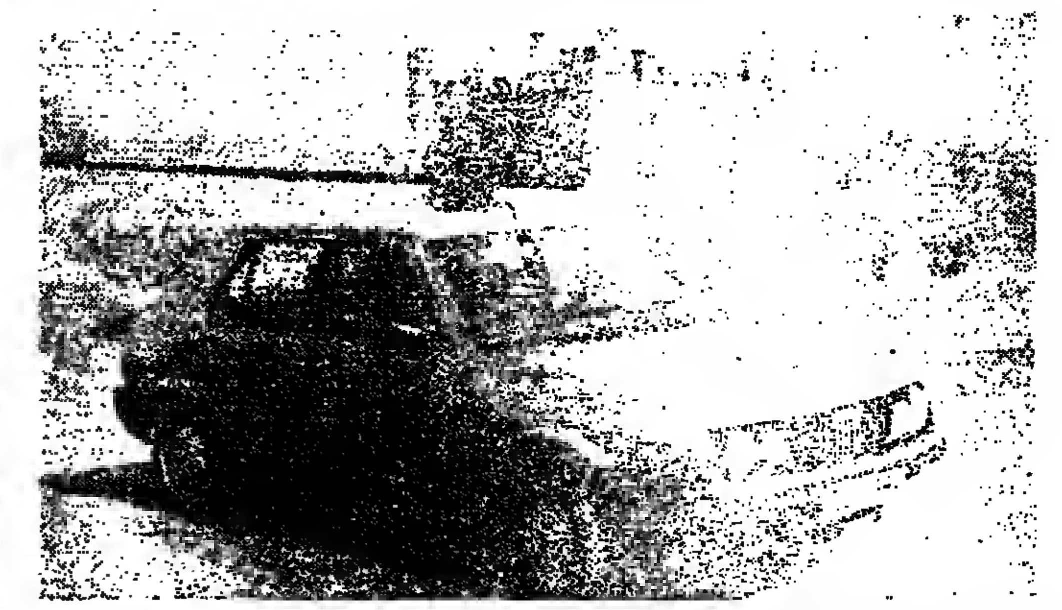
Fly-fishing in propitious weather

As I was playing in the grayling I saw an enormous snout rise out of the water, obviously taking a fly. I cast again and was taken by a very big fish which came out of the water several times. I normally try to keep a firm hold of the fish not letting them have too much line and keeping the rod as vertical as I can. This means that if they jump I can drop the point of the rod which takes the strain off the cast. I was trying out a new reel with variable drag or braking but found that I could not control the fish as well as I could using the finger and thumb to control the speed at which the fish pulled the line off the reel.

This method of line control is frowned on by many particularly when salmon fishing but I find it much more sensitive to what is going on. This fish turned out to be a rainbow of 4½ lb and working on up the carrier I caught four more: two 3 lb and two just over 2 lb, all on the same fly and all rising fish, or at least fish that were showing well although I did not see any of the others show their heads as did the big one.

This was the best basket of fish I have had for some time and all the more satisfying because they had been caught before a single Mayfly had shown on this particular beat. Previously I had only managed to catch grayling and had thought that the trout were becoming an extinct species. I have one bit of good news though: in another part of the river while fishing a grayling run, I had caught and carefully returned two salmon Parr. Twenty years ago I would have had my fly taken by a dozen. These were the first for about five years.

Looking ahead Lancia



The Strada 85 Super, pictured with Leeds Castle in the background, is one of a range of four new Fiat family hatchbacks which went on sale this week at prices from £3,990 (the 60 Comfort 3-door) to £5,260 for the 85 Super. The body, and especially the front end, has been cleaned up but the biggest changes are inside. A redesigned interior has much more convenient minor controls and improved heating and ventilation. Saving weight—the new models are 100 lbs lighter than those they replace—has reduced fuel consumption. For example, the Strada 60 ES with a 1.1 litre engine and five-speed transmission is said to use 20 per cent less fuel than the previous 1,116 cc model. The 85 Super has low profile, low rolling resistance tyres that save petrol without compromising handling. It may be had with a sun-roof (£204 extra) or automatic transmission (£385).

MOTORING

STUART MARSHALL

MENTION the word rust to Lancia executives a few years ago and they would look as though they hoped the ground would open up beneath them. But not any more.

Last week I went to the Lancia factory at Chivasso, near Turin, to discover why. Their former cavalier attitude toward those who considered cars should be long lasting as well as of high performance, has changed. Now they talk about the technique of corrosion prevention with the fervour of a *former drunk* who has gone TT and can't stop telling everyone about it.

How successful their efforts are, today's Lancia buyers will discover only as the 1980s turn into the '90s, but the factory does seem to be leaving nothing to chance. Rust traps have been designed out of the cars. Parts vulnerable to salt spray from winter roads are made from zinc-coated steel.

Complete body shells are immersed in a bath which electrostatically deposits an anti-corrosion layer of twice the industry's average thickness. Lancia says the plant is unique in Europe. General Motors has one like it in the U.S., used only on Cadillac bodies. Quality control staff regularly cut into bodies like a pathologist dissecting a corpse to satisfy themselves that the anti-corrosion treatment even penetrates into *spot-welded seams*. After painting, all box sections of the body are sprayed with a waxy oil. Even here nothing is taken for granted. Every hour a dummy body is sent along the spray line. It has hinged panels which are opened up to make sure that the goo is reaching all the right places.

Lancia is part of the Fiat organisation, but the relationship between the two marques is like that between Audi and Volkswagen. While Fiat boasts of cars being designed by computers and assembled by robots, Lancias are built by human hands. With a total output of 520 cars per working day, spread over seven different models, there isn't much scope for automation.

The best-selling Lancias by far are the Delta front-wheel drive hatchback and its booted derivative, the Prisma—this model reaches Britain this summer. A Delta turbo, now in production at Chivasso, will be available here. The Trevi, the HPE and the coupé, plus a handful of Gammas, make up the rest of Lancia's production. Every car is given at least five laps around the factory's test track before being passed out.

One Lancia that won't be sold in Britain is the exciting Rally, unveiled at Turin Show last year as a successor to the Stratos that once carried all before it. I tried a mid-engined Rally on the autostrada, where a blind eye tends to be turned to things that would have blue lights flashing in Britain. It was very fast, which I had expected, surprisingly comfortable, despite its immensely fat tyres, and docile in traffic. One of the benefits of its positive displacement supercharger, also used on the Trevi, is that it makes a tigerish four-cylinder feel like a lazy V8 at low revolutions. The Rally really is a limited edition. Only 200 have been made, 150 for sale and the others for Lancia's own use.

Fiat general manager and chief executive Vittorio Ghidella is confident that Lancia is heading in the right direction after some traumatic years. The undeclared war between management and labour in Italy in the 1970s was even harder on Lancia than on Fiat. "The cars were fine but manufacturing control, despite big investment, was not right. Since then we have reshaped the whole plant. We have Fiat's manufacturing expertise but have maintained Lancia's uniqueness," he said.

Lancia is aiming for 10 per cent of its home market. In Britain, ambitions are more modest. John Turner, managing director of Lancar, the Heron Group company now handling Lancia, is looking for a steady improvement on the 5,200 sales last year to a possible 14,000 a year.

Quality improvements apart, there are some interesting new Lancias in the pipeline. There will be a small though luxurious car (Lancia market the Autobianchi A112 in several mainland European countries) and large saloons with turbocharged engines. Anti-skid braking systems are coming, too. Another new development is a Lancia estate car based on a saloon.

And what about that interesting four-wheel drive Delta—it looked like a scaled down Audi Quattro—that has been shown at several European motor shows in the past year? "We are working on it," says Ghidella, "but four-wheel drive is not so easy to industrialise as turbocharging and positive displacement supercharging. You will be seeing these aids to performance and refinement on many Lancia cars in the next few years."

The changing face of Chelsea's show

GARDENING

ARTHUR HELLYER

IF THERE is any criticism of successive Chelsea Flower Shows it is that they tend to repeat themselves which is no doubt precisely what devotees want since they see no reason for radical change in what is already so good. But for several reasons, including the appearance of some new exhibitors and the amalgamation of some exhibits which have previously appeared separately, this year's show promises to be significantly different.

One of these amalgamations results from the purchase by Notcutts Nurseries of John Waterer, Son and Crisp who have been missing from the great marquee for a few years. Now they are back in a combined exhibit which Notcutts describe as the largest they have ever staged at Chelsea. The central feature is a woodland garden planted with many of the Bagshot rhododendrons *including* the highly useful dwarf Yakushimanum hybrids. This woodland is enclosed by colour washed walls for the display of mature climbing plants from Woodbridge.

Another amalgamation is between the Royal Parks which this year are making one big display instead of several smaller ones. It will consist almost entirely of fuchsias and should be the best exhibit of these beautiful greenhouse and outdoor plants we have seen for many years because the collection of varieties to draw upon *is very large* and includes *many* mature specimens in contrast to the relatively small plants seen in most commercial exhibits.

Bressingham Nurseries have not joined forces with anyone but instead of staging two *exhibits*, one of dwarf conifers, the other of herbaceous plants, as in recent years, the two are to be combined. This is because the firm has accepted the large and rather difficult monument site which always absorbs a great number of plants. Among the many good things to be displayed I shall be looking for the American raised oriental poppies about which I have already had something to say in this column. The exhibit will also *illustrate* the fact that Chelsea is by no means a one way traffic. Another new plant on view will be a yellow leaved dead nettle with white flowers, a cutting of which was given to the nursery at Chelsea last year by a Mrs Beedham of Coventry.

It has been named *Lamium maculatum* Beedham's White.

Treasures of Tenbury are back after an absence of six years and will be very welcome for no one shows clematis better or has a bigger collection upon which to draw. They expect to be able to show over 50 different varieties including a new semi-double white called Sylvia Denny.

Hillier Nurseries always have a large and interesting collection of plants at Chelsea and this year are making a special feature of what they call the "Hillier Hundred," a selection of 100 outstandingly good plants made by the show and nursery staff as a tribute to their president, Sir Harold Hillier, who received his knighthood in the New Year's Honours List.

A special colour supplement to Hillier's price list will be available describing the plants and explaining the sometimes strange ways in which they have been introduced. One of these resembles the Bressingham story that a fine holly, now named Green Pillar, was found by a customer in his hedgerow and given by him to Hillier Nurseries without leaving either his name or address.

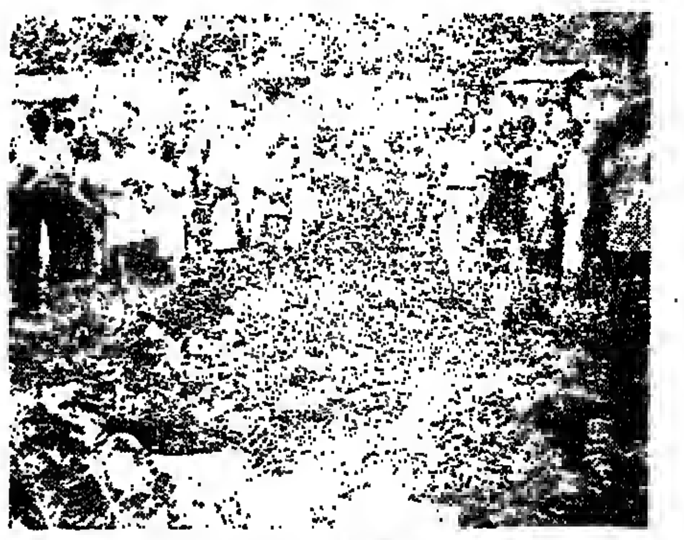
Entirely amateur exhibits of *any* size are *scarce* at Chelsea but this year there is to be a notable collection of bonsai, artificially dwarfed trees, from Peter Chan of Purley who is an electrical engineer by profession and a bonsai fan in his spare time. He has made many of his specimens himself from collected tree seedlings but some have been brought from Japan and one juniper is believed to be nearly 300 years old.

Not many exhibitors show violas and violettas nowadays but Richard Cawthorne is an exception and exhibits at recent Vincent Square shows *have been* delightful. At Chelsea there will be special interest in new seedlings from that very old supposedly sterile light blue viola Maggie Mott. Two years ago it unexpectedly produced one pod of seed and from this Mr Cawthorne raised a number of seedlings and named four of them Emily Mott, Charlotte Mott, Jane Mott and Anne Mott. I wonder whether they will have the charm and longevity of their parent.

I hope many visitors will look at the Fleuroselect display for it will teach them a lot about the purpose and methods of this European flower trials organisation which is exhibiting at Chelsea for the first time. Trials of seed raised plants are held all over Europe and awards *are* so *sparingly given* that in 12 years no gold medal has yet been given and silvers have been very scarce. As far as I can ascertain all the flowers to be shown next week, and they include such excellent things as Salvia *farinacea* Victoria and *Coreopsis* Sunray, have done no better than a bronze.

Outside the great marquee, there promises to be as much interest, and possibly more controversy, than inside. What will the Chelsea regulars make of Alex Dingall-Main's "neo-garden" in which he says he intends to paint paving stones on the grass and stage a mock battle between a black cylinder mower and a red hover mower? He thinks we have wrongly neglected folly in our gardens, which is probably true but a danger with jokes is that today's laugh so easily becomes tomorrow's yawn.

There are many other gardens of a more conventional character including two made by Waterers Landscape for the Sunday Times and the Daily Express, the first showing how to use the tricks of perspective to make a small garden look much larger, the second how to make the best use of a garden on the north, i.e., shady, side of a house. There is special interest, too, in the little *fruit* garden being *made* by Highfield Nurseries in which hooped plum trees are grown on the new dwarfing rootstock for plums named Pixy and in a garden made by Geoff and Faith Whiten based on the cottage garden tradition. This is overflowing with plants appropriate to such a setting, *many* of them suggested by experts at the RHS Wisley garden.



Scene from the 1982 flower show

I have space to mention only one of the thousands of products exhibited in the sundries section. This is a new American organic fertiliser named Flourish which, rather surprisingly, is being marketed in the UK by the *tool specialists* Spear and Jackson. It is said to contain micro-organisms which release ammonium nitrogen from the organic component of the fertiliser.

I am using it on my tomatoes which at present look healthy but it is too early to pass any verdict. The most obvious result so far is that for a time my greenhouse smelled strongly and rather pleasantly of yeast.

BOOKS

When the boys came home

BY GEORGE MALCOLM THOMSON

The Miracle of Dunkirk
by Walter Lord. Allen Lane, £8.95. 323 pages

Sub-lieutenant Moran Caplat, RNVR, actor by trade, naval officer on leave, was surprised to find nobody at the Royal Ocean Racing Club. When the telephone rang, he answered. It was the Admiralty: "You're just what we need." Within the hour he was on his way to Dunkirk.

Some days later Lieutenant John Cameron, RNVR, advocate, took his MTB 107 for a last look at Dunkirk harbour: "The curtain was ringing down on a great tragedy." On his bench in the Court of Sessions, Lord Cameron, Kt, DSC, thinks at times of the trick of fate which had made him witness of that awesome drama.

These two men have provided a couple of the countless incidents from which Walter Lord has woven his account of the moment in history we call Dunkirk. Lord's method is a simple one: out of a multitude of first-band anecdotes and recollections he builds the mosaic of a vast and complex event.

It is, beyond doubt, the best way to deal with the problem for, after all, events had slipped out of the hands of the generals; the politicians were in a state of shock; confusion was absolute. How often—too often—one reads of units being told, "To Dunkirk, every man for himself!"—a rare recipe for making chaos more chaotic.

After all, Lord's technique is, essentially, that which Tolstoy used to describe Borodin, or Stendhal, Waterloo. Here it works superbly well. Of course, there emerges no clear picture. A clear picture would be utterly misleading.

The Miracle of Dunkirk?

If there was one, the weather was the chief agent. If the seas between Dunkirk and Dover had not been so extraordinarly calm for such a long spell, then instead of 340,000 men being rescued, there would have been only a handful, as was at first expected. And after the weather—Hitler. His order that the German tanks should be halted outside Dunkirk and made ready for the advance on Paris made the miracle possible.

But, when all is said and done, the miracle was essentially a movement of the spirit: Britain, in a matter of days, ceased to acquiesce in the war and developed a mood of defiance. It was first manifest when order was restored on Dunkirk sands, when officers restored cohesion to what had been muddled masses of weary soldiers and when improvisation on the beaches was matched by the extraordinary mobilisation of the "little ships." And there was, of course, the Navy.

So, in a few days, the impossible was performed and Walter Lord was provided with the raw material of his inspiring story. For it is inspiring even if it makes no attempt to pretend that these were no human failures.

There were moments of comedy. Major Angus McCorquodale, Coldstream, refuses to wear the new battledress: "I don't mind dying for my country but I'm not going to die dressed like a third-rate chauffer." He and Lieutenant Langley spent the early morning of June 1 turning a cottage into a machine gun nest complete with two buckets of water for cooling wine—or Bren-gun barrels.

Heroics were in short supply. But Col. Westropp of the 8th King's reminded his officers that they belonged to one of oldest regiments of the line: "We therefore represent the regiment as we march down to the beach; we must set an example to the rabble on the beach."

Second Lieutenant William Lawson, RA, thought that, after two rough weeks on the run he had some excuse for looking scruffy. Unfortunately, on the beach at La Panne he met his father, Brigadier E. F. Lawson. He saluted and was greeted thus "What do you mean looking like that? You are bringing dishonour to the family." The brigadier's batman did the job: a haircut and shave on Dunkirk beach. The Lawson honour was saved.

The story begins, and much of it continues, on the English side of the Channel, for instance, in Captain Tennant's hideout in the cliffs below Dover Castle, the room carved out of the primeval chalk and known as Dynamo Room because in World War One it had housed a dynamo to supply emergency electricity, thus giving its name to the whole rescue "Operation Dynamo." Herbert Lightoller had a 58-foot cruiser in Chiswick boatyard. Could Lightoller, the Admiralty inquired, get the boat to Ramsgate, when the Navy would take over? "If anybody is going to take her over, my eldest son and I will," said Lightoller.

The Sundowner had once had as many as 21 people aboard on a jolly jaunt down the Thames; It brought 130 men back from Dunkirk: "God's truth, mate, where did you put them?" asked an onlooker.

It was very much the British discovering, to their surprise, that they were a warlike race as their ancestors had discovered when the Armada hove in sight beyond the Lizard. There was even Lieutenant Cox reciting the Saint Crispin's Day speech from *Henry V*, "And gentlemen in England now abed" to the bewilderment of the chief boatswain's mate beside him. Some must have thought the outburst quite shaming. It was untypical of the occasion.

Dunkirk was an odd mixture of the spontaneous, the improvised and the individual: an army—no, a nation—in defeat, was pulling itself together.

To the British, then, Dunkirk was the beginning of something better. To the French, it was—and is—a grievance: 224,686 British troops rescued, and only 118,000 French. The explanation is complex and not altogether discreditable to either nation. Thousands of Frenchmen preferred to stay with their own units. But, it may be admitted that, after the fatal collapse of Corap's Ninth Army, the British were inclined to favour their own people. Had it not been for Churchill's intervention, the disparity in the figures would have been much greater.

Meanwhile, in the Dunkirk Saga, the magnificent resistance of the French First Army at Lille has been insufficiently noticed.

Vice-Admiral Bertram H. Ramsay, who commanded the rescue from the beaches of Dunkirk, on the balcony of his headquarters at Dover—from the book reviewed today

Ustinov's patrimony

BY ERIK DE MAUNY

My Russia
by Peter Ustinov. Macmillan. £10.95. 224 pages

In this lively but somewhat sentimental brief history, Peter Ustinov rarely has a good word to say for the Russian *boyars*: in his view, they were an evil and scheming lot. But standing on a bridge over the Neva on the dust jacket, the author himself looks like nothing so much as a genial *boyar*, about to give his serfs the day off. The contradictions of the broad Russian nature are, of course, familiar to every student of the subject, and Mr Ustinov plainly has his share of them. He is untypical in another respect, however: even when he is dealing with some of the gloomier aspects of the Russian past, cheerfulness will keep breaking in.

This is not to say that he has not reflected on the complex forces of heredity and environment which have gone to produce the Russian people. He has, but he is often over-indulgent in his conclusions. He lays great emphasis on the fact that Russia has been invaded far more often than she has invaded others, which is fair enough. But there is an underlying implication that this is peculiar to Russia, whereas every nation in Europe has suffered invasion at some time or other, often several times over, without succumbing to the miasma of suspicion and mistrust which still poisons so much of Russian life. In general, Russians still look askance at anything that is not *nash* — "ours."

Historically there are, of course, exceptions: Peter the Great's stupendous struggle to open his famous Window on Europe, Catherine the Great's dalliance with the philosophers of the Enlightenment, and the periodic efforts of later rulers to give Russia her due weight in the concert of nations. But as against these there are the interminable vastness of the country and the infinite lethargy of the Russian soul, which sometimes combine to produce a mash of cruelty and indifference. There is no reference to that in Mr Ustinov's over-fond account, nor to the Gulag, nor to Solzhenitsyn, Sakharov, Bukovsky and a host of other dissidents, although the KGB does get a fleeting mention.

The author does, however, pursue one argument with stubborn conviction: that Russians are just like everyone else. Given their history, I doubt this was ever the case; and after some six and a half decades of Marxist engineering to produce *Homo Sovieticus*, it is today palpably untrue. Mr Ustinov's efforts to prove the contrary therefore seem somewhat unreal. He also indulges in a number of irrelevant asides, there are several serious errors (in one picture caption, Prince Igor is described as "leader of the Polovtsians"), and some of the writing is slipshod.

My Russia is beautifully illustrated and performs a service by challenging a number of contemporary prejudices; but by clinging so resolutely to his rose-tinted spectacles, Mr Ustinov has finally produced a sentimental over-simplification of Russian realities, past and present.

Sadat with Reagan in the White House. Fresh light on the Egyptian President is shed in the book reviewed below

Sadat's end

BY RICHARD JOHNS

Autumn of Fury: The Assassination of Sadat
by Mohammed Heikal. André Deutsch. £10.95. 290 pages

There was a bleak, significant irony in the fact that the late President Sadat was eulogised and mourned throughout the West, particularly by the political establishment in the U.S., but only by his family and close associates in Egypt. The vast majority of his countrymen, whose 99.9 per cent votes were officially recorded as approving his policies in periodic plebiscites, were apathetic about his passing while many Arabs elsewhere exulted. His last rites, attended only by foreign visitors including three former American presidents and selected local dignitaries, could not have been in greater contrast to the multitudinous grief manifested in the streets of Cairo at Nasser's funeral.

Heikal, for many years editor of Al Ahram and Nasser's confidant, was amongst the 3,000 actual and suspected dissidents rounded up a little more than a month before the assassination. Predictably, he is savagely critical, with an even greater arsenal of damaging anecdotes and information at his disposal—of the Egyptian leader who described himself (to President Jimmy Carter) as the successor to the Pharoah Ramses II — than David Hirst and Irene Beeson were in their book published last year.

"By going to Jerusalem Sadat achieved a worldwide constituency but missed the constituency which was naturally his as President of Egypt — the Arab world", writes Heikal. That is true enough. Undoubtedly, one reason why Khaled Islambouli and his fellow conspirators decided upon their attempt to assassinate the "tyrant" was the bilateral peace treaty with Israel for which Sadat was responsible.

Heikal characteristically does not include the widespread acceptance by the Egyptian people, weary of shouldering the main burden of confrontation, of an end to belligerency, as one of the many black marks against Sadat. More relevant to his demise was the way in which, having eliminated in 1971 the pro-Moscow clique within the regime, Sadat squandered the main gains resulting from the October war. He did so not only by failing to exploit for the broader Arab cause what could fairly be regarded as a strategic victory but by letting himself to be carried away by illusions of grandeur and playing to a Western international audience in a theatrical manner. Thus, he lost his domestic constituency—also touch with reality.

Heikal recounts why Sadat was "isolated in his own country" by the beginning of 1981. Preoccupied with his performance on a grander stage he lost sight of the nature of Egypt's economic and social problems, let alone any possible means of resolving them. As his style of government became more high-handed and arbitrary, rampant corruption, national indebtedness, and inequalities of wealth grew more blatant. These factors had as much to do with the assassination as the peace treaty and were of greater concern to the populace at large. Sadat, Heikal comments, had more in common with the Khedive Ismail who in the 1870s effectively pawned Egypt and the Suez Canal to Britain and France than with Ramses II.

In recounting what must be seen as a sorry saga of political incompetence Heikal duly ignores another side of the modern Egyptian coin constituted by the oppressive, heavy-handed regime of Nasser and his singular disservice to Egypt, the Arab world and the international community in provoking the disastrous war of 1967. The author was a part of that regime and an apologist for it. The legitimacy of his criticism must, by that criterion, be regarded as somewhat flawed.

Strange, gifted lady

BY NICOLA BEAUMAN

Julia: A Portrait of Julia Strachey
by Herself and Frances Partridge. Gollancz, £10.95. 308 pages

Julia Strachey's mother was a (more fertile) version of Nancy Mitford's "the Bolter"; her father once told a story of meeting her years after their divorce.

"Why Ruby, you've done very well," he said to her. "You've had five children by four men, haven't you?"

"By five men, Oliver, but don't tell George."

Alas, the daughter of an adventuress often has an insecure youth; but she usually inherits the qualities that made her parent bolt off in the first place — vivacity, "it", scorn of the conventional and so on. Julia had all these attributes, but also a rootless, dissatisfied streak that she never shed.

"A gifted wastrel" was Virginia Woolf's perceptive verdict when Julia was only 23: and a traditional biographer would have had a difficult task in portraying both the gifts, which produced her memorable novellas, and the waste, which limited her achievement.

But Frances Partridge has created a "portrait" of her friend that is authentic and immediate, because it speaks, literally, in Julia's own voice; she has drawn on fragments of autobiography, letters, diaries and extracts from stories, and links these with a tender but sharp commentary, and with occasional extracts from her own diary. In fact a Bloomsbury hotchpotch, full of anecdote and description and mercifully thin on footnotes and appendices.

Julia was born in India in 1901 and had a paradisical babyhood in a light-filled bungalow outside Allahabad. But once her mother had departed, her father shipped her back to live with his Rendel sister in Melbury Road. (How might Lytton have reacted if his niece had instead been deposited on him?)

An uncompromisingly Kensington existence was too much for Julia, who wept for four years until her father's remarriage landed her on the Pearsall Smith household and Aunty Loo. Everyone tried to be kind, but their Quaker forcefulness was often painfully abrasive. "I always feel so bad—so awfully sorry—that I can never be really fond of thee" declared Aunty Loo in between pulls on her dental floss. (Small wonder that the grown Julia could only love men younger than her: not as putative sons, but crystallised at the same age as her "adored Papa" had been during the brief years of idyll.)

Yet she survived Bedales during the First World War, began to have love affairs in Chelsea and to make friends in Bloomsbury, and, groping for stability, married. Sadly, her husband, the sculptor Stephen Tomlin, was a "scalp collector." Time after time Julia had to watch as her friends were efficiently gathered into Tommy's snare—and yet the unhappiness this caused her must somehow have created the necessary conditions for the creation of her masterpiece.

Cheerful Weather for the Wedding was published in 1932 and established Julia as a "writer"—and for ever afterwards she tried to recapture the elusive ability to put pen to paper. There was to be another novel 20 years later, a collection of stories, and the two suitcases of fragments from whence derived the material for this book. She demanded the right conditions ("blue skies, cats and growing plants"), complained when they were denied her and was cursed by her Strachey-inherited perfectionism. Even marriage to the painter Lawrence Gowing failed to produce the divine afflatus.

Clearly, the insecurity of her early years cheated her of tranquility. As she grew older she became difficult, at times petulant, at others neurotically vulnerable. But however much she enraged them, her friends remained loyal, even Gowing after he had married someone else.

Nonetheless, Julia's refusal to "allow no warts—no freckles even—to go unnoticed" was often trying. Once someone had crashed from their pedestal she never, ever allowed them to be reinstated. It was this unbending, censorious quality that silenced her imagination—yet she could not help but aim high, always. Beset with household cares, she wrote to Frances, "I could die with envy of Proust and Virginia, my dear. They never had to do *anything*." And, upon rejecting wartime lodgings in Wiltshire, only Julia could have declared, "the fact is I can't bear to be in any rooms that aren't *Georgian*." Yet Frances Partridge has brilliantly conveyed her fascination. How one longs for more—perhaps now, after *A Pacifist's War* and *Memories*, we could have *Frances* by Frances?

Crimes in short

BY WILLIAM WEAVER

Better Off Dead by Mary McMullen. Macmillan, £6.50, 183 pages

The biter is bit: only more a nibble, really. A Bohemian artist (somewhere between Augustus John and Gulley Jimson) and his shifty dealer in New York devise what should be a profitable and not terribly criminal fraud. It almost works; but meanwhile a number of enjoyable people—notably the artist's pretty daughter — are caught up in the plot. Convincing background, and a confidently-paced story.

Deadly Petard by Roderic Jeffries. Collins, £6.50, 156 pages

Inspector Alvarez's Mallorca is more crime-prone than the Chicago of the 1920s. Fortunately he is rather better in controlling crime than the poor Feds were in the Capone era. Most of the time, he has to deal with British dastards or eccentrics. In this adventure he is allowed to meet a nice, honest, engaging, efficient British cop. It is an illuminating encounter on both sides, and at the end there is peace on the island again. Alvarez's fans will hope that the virtue-wave is short-lived.

Death of a Minor Character by Elizabeth Ferrars. Collins. £6.50, 183 pages

It may be a little hard to believe the solution of this irresistible novel (the crooks are a bit far-fetched), but the narration is so skilled and the main characters are so winning that by the time the solution does come, it is not what interests you most. Virginia and Felix Freer, Mrs Ferrars' separated but still-friendly couple, have appeared before.

Fiction

Brautigan at bay

BY GEOFFREY MOORE

So The Wind Won't Blow It Away
by Richard Brautigan. Jonathan Cape. £6.95, 131 pages

By an odd coincidence, the theme of Richard Brautigan's latest novel (a 12-year-old boy accidentally kills some one with a .22 rifle) is similar to that of Kurt Vonnegut's recent *Deadeye Dick*. But although the basic incident is the same, the style, the tone, the fictional stance of the two writers could not be more different.

If Vonnegut is the Edgar Allan Poe of the contemporary American novel, Brautigan is the Mark Twain. Like Twain in *Huckleberry Finn* (a product of the 1880s as Brautigan's novel is of the 1980s), he mourns the loss of, and at the same time celebrates, an earlier idyllic time. With Twain it was the period before the Civil War, when the true American dream — the dream of the American Adam, of a life free from European corruption — seemed attainable. Brautigan, born exactly 100 years later, idealises a period when he, like Huck, was a pre-teenage boy: the years immediately following the Second World War.

After a brief introduction of the type made familiar by Sherwood Anderson in such stories as "I Want to Know Why" ("I didn't know that afternoon that the ground was waiting to become another grave in just a few short days") we are carried effortlessly backwards and forwards in a timeless vernacular that does not seek to emulate a 12-year-old's language. The incidents are few but unforgettable: the family which takes its living-room furniture to fish from; the old woman who wishes her husband were not dead; the laconic beer-drinking nightwatchman of the sawmill; the funeral of a child witnessed and wondered at [illegible] years old; the shooting of David, the pride of his classmates. Unlike Rudy Waltz in *Deadeye Dick*, the hero is "acquitted by the court of any negligence . . ." So they all live happily ever after—except, of course, for the death of the boy. And except, too, for another kind of death—the death of the older America, before television kept the fishing family indoors, rather than, weirdly but comfortably, on its couch by the pond.

The simple line-drawing on the back of the dust-cover shows what is presumably Brautigan—or the *persona* he would like to project: a hick in a cowboy hat, with wire-rim glasses and a droopy moustache. But be not mistaken; the prose is very far from being that of a country bumpkin. Behind these seemingly artless pictures of a lost world there is a high professional competence. Brautigan knows very well what he [illegible]

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HOW TO SPEND IT

by Lucia van der Post

Where have all the microchips gone?

TALK about the microchip and the revolution it is going to bring about in all our lives seems to have been going on for more years than I can actually assess. I haven't been able to perceive any revolution in my own home; so at a recent Electric Home Bureau new products exhibition I thought I would check up on exactly what it was I was missing out on.

My research revealed that revolution is not really the word. Evolution is more like it. The answer to what the microchip will actually do for us seems at first sight a little disappointing. In a phrase, it may be summed up by the fact that any machinery that successfully and appropriately incorporates a microchip is likely to be infinitely more reliable than its chipless predecessor. The great advantage of the chip is that it is virtually indestructible. It is likely to go on performing for years, exactly as was originally intended, responding obediently to every push of the button.

If at first this sounds somewhat dull think about it further. What has most often been a source of frustration on the domestic front? The answer is nearly always a breakdown in the performance of some trusted machine. I remember years when the children were small which seemed to be punctuated by my screaming down the telephone at the service department responsible for our ill-fated washing-machine and trying to persuade them that four weeks was too long to keep a basketful of dirty nappies waiting. Machines that do exactly what is required without ever breaking down seem like just the kind of evolution that will do more to improve most women's domestic lot in life than an army of robots.

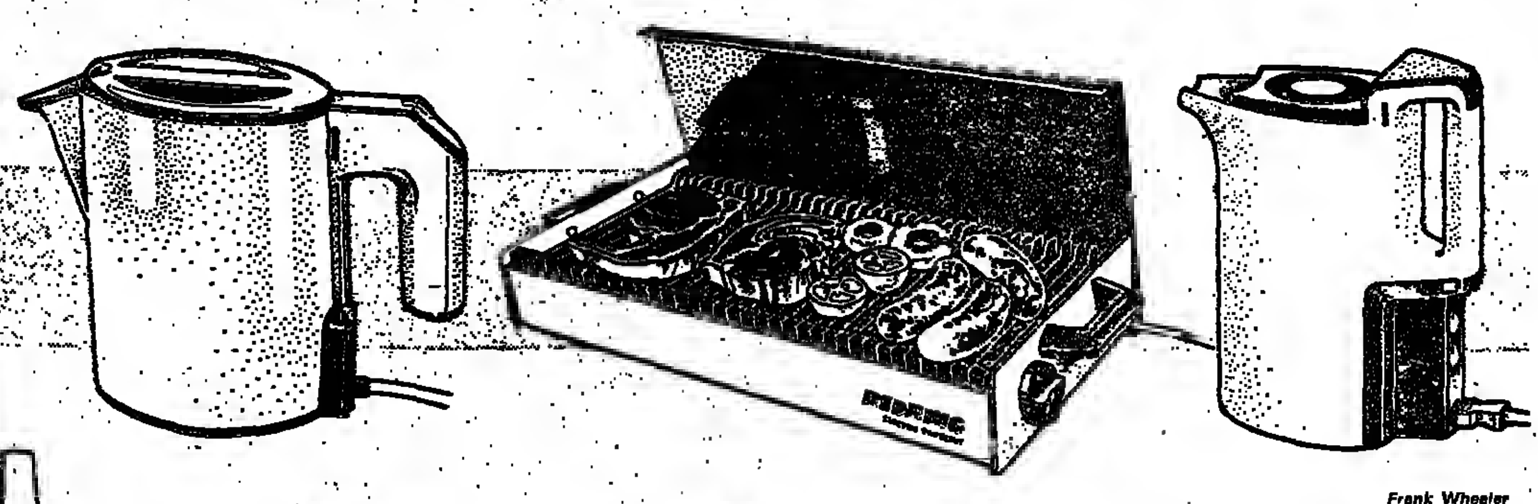
It's too early to say if this nirvana has been achieved but certainly the use of the microchip is growing apace and I have an impression of much greater reliability. In the washing-machine field (a subject, you will gather, very dear to my heart) my own Hoover seems to be on the go at least once a day and though not very old has never once broken down. A marked improvement on the machine (a foreign make, you'll be glad to hear) that I had in earlier years.

Servis was the first British company to pioneer the microchip in washing-machines with its Quartz in 1977. Hoover now has a series of machines with microchip controls and this week yet another British company joined the ranks when Hotpoint launched its own computer-controlled model.

Microwave ovens are not new—but nowadays they too offer greater sophistication and reliability because of the microchip. Thorn EMI has recently brought out the first British microwave oven and the next model, already in the pipeline, will have microchip controls—this will give more sophisticated programming options, will give a wider range of temperature and time control as well as the option of a memory storage.

Apart from the microchip, the other major developments in the electrical appliance field have been two British cookers designed to slot neatly into a range of floor-level kitchen units—the hob lying at work-surface level, the oven incorporated below. Both Belling and Tricity have very sleek, streamlined models which are proving very successful.

Below are featured some of the best of the latest gadgets—some are electric, some are micro-chipped-controlled and one, the Sony Watchman, is none of these but is there just because it's the most eye-catching, most desirable gadget I've seen in years.



Frank Wheeler

Hoover's latest upright

A kettle masquerading as a jug

MANY readers, judging from the huge correspondence my mention of it on the page provoked, will well remember when Redring Electric brought out the plastic jug kettle, the Autoboil.

This was a sleek plastic container which looked for all the world like a jug with a lid and turned out also to be a kettle. It totally revolutionised all our ideas of what a kettle should look like and was a huge commercial success.

On exactly the same lines, Redring Electric has brought out the Miniboil—it has all the same advantages as the Autoboil (that is, it is automatic, is made from the same sleek Noryl material) but is a smaller version and therefore likely to appeal to the elderly who only need to boil in small quantites, to the traveller, to the bedsit owner and possibly the teenager. See it sketched top left.

It is not on sale until the autumn when it will be in most leading retail stores like Timothy Whites, John Lewis and Electricity Board showrooms. The recommended price is £13.95.

ONE vacuum cleaner to the untrained eye looks very much like another. However, according to Hoover, its latest three Turbopower cleaners may look rather like their earlier forerunners but they are the proud possessors of several unique features.

The chief claim to originality seems to me to rest upon the fact that incorporated into two of the models (including the one sketched left) is a built-in air-freshener. To anybody who dislikes the smell of stale tobacco as much as I do this has an obvious appeal.

That's all very well, but how does it clean? Well, the Turbopower motor gives 25 per cent more suction power than previous models and there is an activator to recondition the carpet pile.

It certainly seems light to operate and has a relatively unaggressive noise when switched on. On sale only at the beginning of July it will cost £74.95 from most Hoover retailers including the John Lewis group, Selfridges of Oxford Street, London W1, Currys and Rumbelows.

Barbecue without fuss

FOR the true barbecue-lover the device shown above will be called cheating. The true aficionado needs to show his skill as he with care and diligence culls a fire out of unpromising fuels and battles bravely with our chilly winds.

Redring's newest appliance takes all chance out of the matter—it runs on electricity. It provides the barbecue ambience without the fuss and bother. For those who say that the true pleasure of barbecued food is that authentic charred flavour (and as one nurtured on barbecues from early days, I'm one of their number) Redring claims that by causing a heating element to heat lava rock (which its device does) the same effect is achieved. The meat as it becomes hot releases fat which falls onto the rock, igniting it, and giving that char-grilled flavour.

The grill is not large as you can see from the picture (the cooking area is 1,075 sq cm) but it is certainly convenient. The outward look is efficient without being beautiful—the zinc-coated steel body and lid are finished in a high-temperature resistant red paint. It costs £59.95 and is available now from most Electricity Board showrooms.

A kettle with a microchip

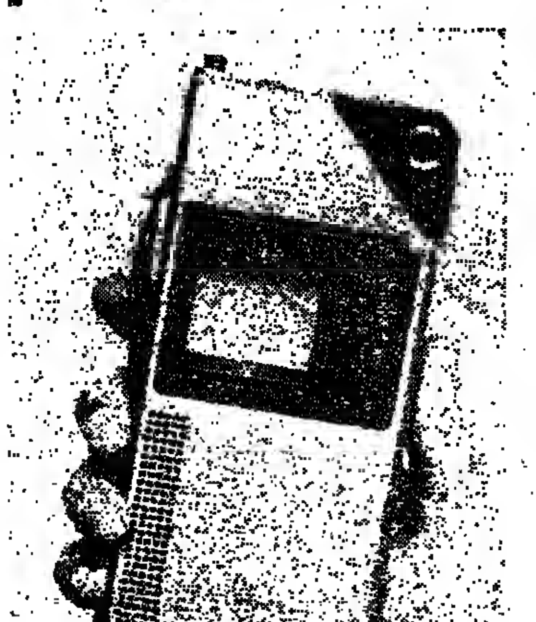
A KETTLE with a microchip (indeed, to be precise, the Very First kettle with a microchip) sounds like a big scientic breakthrough but when Russell Hobbs was asked to explain exactly what this did for the world of kettles it emerged that it boiled down (sorry!) to the fact that it can't be switched on when empty and switches off exactly at boiling point.

As most of us with ordinary old kettles have got rather used to checking first that it is filled and find that it seems to boil quite adequately, these may or may not add up to great new advantages.

However, what is indubitably true is that the Russell Hobbs "Highline"—microchip or no microchip—is a very handsome kettle to have hanging around the kitchen work surface. See it sketched above. Made from a hard plastic substance called Kematal, it is prettily coloured in white and slate blue.

It is in the shops now, holds 1.5 litres and costs about £19.95. Find it in shops like the Argos chain, Boots, Debenhams, Vallances, Ketts, Tesco and House of Fraser stores as well as other independent retail outlets.

Watch where you like



LATEST irresistible toy for the gadget-minded is the Sony Watchman. This has done for television sets what the Walkman did for stereos—miniaturised the system so that nobody need ever be without a screen whatever they are doing. From now on no Wimbledon fan need worry about missing vital match-points while travelling or (dare I say it) at his office desk. No cricket fan need fear that he might miss one of Viv Richards's splendid innings. For the Sony Watchman is small enough (7¾ ins by 3½ ins by 1½ ins) and light enough (just over 1 lb) to be carried easily by anybody—even the frailest of wrist.

It is as sleekly styled as one would expect from Sony—a suitably technological combination of polished metal and black plastic. The screen itself is tiny—about 2 ins square—but it seems to convey the picture admirably, though at this stage only black and white is on offer.

The set has lightweight headphones so that you can listen in without disturbing your neighbours if you wish. It is, my more technically-minded colleagues tell me, very heavy on batteries (it runs on four HP7 or AA batteries which have a maximum running time of 2½ hours) so if you plan on watching anything long-running buy in extra supplies. For a small gadget it isn't cheap but £250 perhaps isn't a lot to pay for the first models of such a spectacularly-interesting new product.

The machine is just coming into the country now—it will be in the shops at the beginning of June but I should book your model with your Sony dealer now for I see a big run on them with our major sporting season looming up.

A REALLY good travelling iron seems to me one of the most indispensable of travelling aids—who, after all, wants to spend a holiday with a suitcase full of creased and crumpled clothes? The smallest and lightest version that I have come across is the latest design from Morphy Richards. Called "Travelling Light" it weighs a mere 240 grams, measures 16 cm by 6.5 cm when folded (11 cm high when the handle is up). It has all the things a good travelling iron needs—dual voltage (110/240 volts), is thermostatically controlled, has a variable heat setting control. It really is easy to assemble, you can either fold the handle into the iron or detach it and the whole thing slips neatly into a little zipped travelling bag. In almond and black it costs £9.55 and can be bought from a wide range of stockists including Rumbelows, Co-op branches, Woolworths, Currys and Underwoods.

Tame your butcher

BY JULIE HAMILTON

As I have often said, I am a great believer in the family butcher; he must be tamed and taught to cater to our individual tastes. We must pick his brains and learn from his experience, no slipping into easy convenience cuts at the expense of variety.

I am fortunate in that my local butcher in Fletching, Sussex, is young and wonderfully enthusiastic. He has an assistant who is of the old school of butchers and it is he who introduced me to bowler steak for the first time when I put in my order for a meat fondue.

Instead of the recommended fillet steak for the fondue I served boned and cubed breast of chicken and bowler steak. So what is bowler steak? It resembles the fillet in shape but it comes from near the blade in the forequarter. It is not as tender as fillet, but it has an excellent flavour and, if coming from a well hung animal, will grill or fry quite satisfactorily. If you are paying £2 per pound compared to £4.20p per pound for fillet, who minds a little extra chewing!

I could surprise even my American musician friend who last summer told my children and me he would show us how they really make steak burgers in Texas. He spent something like £8 on the best rump steak to mince for four of us! Of course they were delicious, and here is his recipe, only varied by using bowler steak instead:

FORT WORTH BURGERS
Serves 4 American sized appetites

Approximately 2 lb bowler steak, minced; 1 sprig fresh rosemary; 8 fresh basil leaves or ½ teaspoon dried; 4 sage leaves; 1 sprig marjoram; 1 sprig thyme; 2 sprigs parsley; ½ teaspoon salt and plenty of black pepper.

Place all the herbs with the salt and pepper in a coffee grinder and grind until very fine. Knead the meat well on a flat surface, divide into four portions and shape like slightly-flattened oranges. With your thumb make a tunnel into the centre of each ball of meat and place a good pinch of the herbs in it, then squeeze it together again to make a firm rounded burger.

Heat a little oil in the frying pan and sear the burgers all over to seal, then place in an oven-proof dish with a lid and finish off the cooking, covered, in a hot oven. The time depends on whether you like your steak well done, medium or rare.

FILETTO ALLA SARDA
Serves 4

The following recipe from Sardinia normally includes fillet steak, but as beef is hardly hung at all in Italy and is therefore fairly tough, this method is ideal for bowler steak.

1½ lbs bowler steak in one piece; ¼ pint dry white wine; 1 clove garlic crushed; 1 small bunch parsley; salt; freshly ground black pepper; 3½ fl oz oil; 4 anchovy fillets; juice of one lemon.

Place the beef in an earthenware dish; add the wine, garlic, bunch of parsley (whole) and a generous pinch of salt and pepper. Marinate for at least two hours, turning frequently. (I would extend the marinating time if there is any doubt about the tenderness of the meat.) To cook the meat, add the oil to the marinade, cover and place over a very low heat. Should it be necessary, add a little hot water during cooking. When the meat is extremely tender, it is done.

Remove it from the pot and set aside to cool slightly so that it can be thinly sliced.

Strain the cooking liquid and return it to the heat, mash the anchovies and, with the lemon juice, add them to it, stirring thoroughly. Simmer for one minute, then pour over the thin slices of meat arranged on a heated serving dish. Serve at once. Any short cut pasta would go well.

Breasts of chicken, so widely available in most supermarkets, are a very versatile and economical purchase. No skin, no bone, no waste, endless possibilities (especially for calorie counters!). Cubed fairly small for a fondue it melts in the mouth. Really hot spicy sauces complement it as well as simple butter and lemon juice.

Chicken breast kebabs are well worth trying. Just cube the meat, thread on to skewers, alternate with anything you like, bacon, ham, onions, peppers, mushrooms, or simply on their own. Brush with lemon juice and butter, season with salt and pepper and grill, turning frequently, or bake in a hot oven.

Even better marinate the meat after you have cubed it. Crush a few cloves of garlic with a pestle and mortar, add salt, ground allspice and plenty of hot paprika (if you do not have hot paprika use the sweet one) and add chilli sauce or powder. Work this mixture into the chicken with your fingers then pour lemon juice over, adding one tablespoon of oil. Mix well with your hands, cover, leave to stand for an hour or so, stirring it about from time to time. Thread on to skewers and grill in the usual manner, using the marinade to baste with.

You could also use white wine and coriander as the marinade.

Also on skewers, try the following. Sage leaves, 1½ in square thick slices of bread spread both sides with lard or bacon fat, alternating with equal-size bits of chicken breast, brushed with butter and baked in a hot oven. Serve with melted butter to which you have added finely chopped fresh sage and a few drops of lemon juice.

I often follow fondue with a special cake. This year it is an improvisation on the carrot cake theme. It is dark, rich, moist, and not over sweet.

VARIATION ON A THEME IN C

8 oz plain 85 per cent wholemeal flour; 4 oz molasses sugar (natural and unrefined); 1 heaped tablespoon cocoa; 8 fl oz corn oil; 1½ teaspoons each of baking powder and bicarbonate of soda; 8 oz finely grated carrot; 6 oz walnuts coarsely chopped; 4 oz hazel nuts finely chopped; 6 oz sultanas soaked in a generous amount of whisky; 3 eggs; ½ teaspoon salt; 1 teaspoon cinnamon; ½ teaspoon nutmeg and allspice.

For the filling and topping: 1 lb double cream cheese; 3 oz unsalted butter; 6 oz icing sugar; the rind of half a lemon very finely grated and pounded with a teaspoon of caster sugar.

Line a loose bottomed cake tin with Bakewell paper. Heat the oven to gas mark 4 (350F). Beat the oil and sugar together adding the eggs one at a time (this can all be done in a food processor if you have one).

Add the cocoa, beat well, then the flour, spices, salt, baking powder, bicarbonate of soda and beat well again. Mix in the carrots, the sultanas with the whisky they have been soaking in for at least one hour, and the nuts. Stir and tip into the cake tin, bake for approximately 1½ hours. A warm skewer will come out clean when the cake is done. Allow the cake to cool in the tin.

Divide the cream cheese in half and mix one half with 2 oz of the sugar, add a pinch of the pounded lemon rind, lightly beat it all together. Halve the cake horizontally and sandwich the cream cheese mixture. Beat together the remaining cream cheese, butter, sugar and lemon rind. Spread over the whole cake. I decorate with frosted flowers. Primroses, forget-me-nots, japonica and mint leaves make a stunning display. Simply brush them all over with lightly beaten egg white then dredge with caster sugar. Put in a warm place to dry for several hours before using.

BRIDGE

E. P. C. COTTER

THE FIRST Grand Slam series on BBC Television was poor, the second series is a tremendous improvement, and now we have Master Bridge on Channel 4. The hands in this programme are pre-dealt and are extremely good but in my opinion too difficult for the average viewer to understand—they need to be studied. So I welcome Master Bridge by Nicola Gardener, just published by Macmillan at £5.95. This excellent book explains clearly the expert way to bid and play the 28 hands, a way which is not always found by the internationals taking part.

Let us study the first of two three no trump deals:

```
              N
           ♠ J 10 3
           ♥ A J 9
           ♦ J 10 9 7 4 2
           ♣ 5
   W                      E
♠ Q 9 7 6 4          ♠ 8 5 2
♥ 8 5 3 2            ♥ K 7 6
♦ 8 5                ♦ A 6 3
♣ Q 9                ♣ J 10 8 3
              S
           ♠ A K
           ♥ Q 10 4
           ♦ K Q
           ♣ A K 7 6 4 2
```

West deals at a love score and after three passes South opens with two clubs and receives the negative response of two diamonds. On the next round South rebids three clubs, though many players with the South cards would say two no trumps, announcing a balanced hand of 23 points. After three diamonds from his partner South says three no trumps and all pass.

West leads the spade six, dummy plays low, and South wins with the King. The King and Queen of diamonds are cashed, East withholding his Ace. At first sight it seems right to finesse a heart but if this loses, the spade return ensures the defeat of the contract.

The declarer has a better play at his disposal. At trick four he leads his heart Queen, overtakes with dummy's Ace, and returns the diamond Knave, on which he jettisons his Ace of spades—a brilliant entry-creating double unblock. Seeing there is no future in spades, East leads the club Knave. South wins and leads his heart four to dummy's nine, East winning with the King. Declarer wins the club return, crosses to dummy's heart Knave, runs the established diamonds, and makes 10 tricks.

This hand was correctly played by one declarer.

Now for a defensive problem:

```
              N
           ♠ K 7 3
           ♥ A K 8
           ♦ 6 3
           ♣ 9 6 5 4 2
   W                      E
♠ 8 5                ♠ A J 10 6 4
♥ J 9 6 5 4 3        ♥ 10
♦ J 9 2              ♦ A 8 5
♣ 10 7               ♣ Q J 8 3
              S
           ♠ Q 9 2
           ♥ Q 7 2
           ♦ K Q 10 7 4
           ♣ A K
```

West deals with East-West vulnerable and after two passes East bids one spade. South overcalls with one no trump, his best but by no means an ideal course of action, which North naturally raises to three.

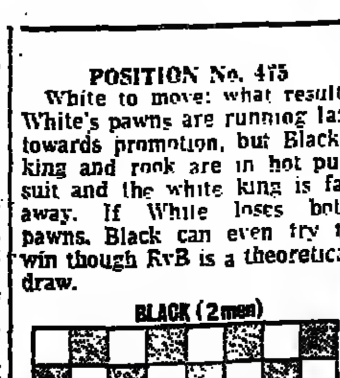
West leads the spade eight, dummy plays low, and East's ten is taken by the Queen. The declarer crosses to the Ace of hearts and returns a diamond to his King, crosses again to the King of hearts, intending to lead another diamond and play his Queen if East plays low. East sees that it is just possible for his partner to have started life with three diamonds to the Knave, so he jettisons his Ace on the second heart lead. This promotes West's Knave to a third-round winner and allows him to obtain the lead for another spade lead and so defeat the contract.

In one room despite East's bid of one spade West led the four of hearts, which cannot be a wise move. Now although East unblocked his diamond Ace, the declarer was under no pressure. In the other room a false card of the diamond nine on the first round confused East and the diamond Ace was not unblocked.

POSITION No. 475

White to move: what result? White's pawns are running fast towards promotion, but Black's king and rook are in hot pursuit and the white king is far away. If White loses both pawns, Black can even try to win though RvB is a theoretical draw.

BLACK (2 men)



WHITE (4 men)

CHESS

LEONARD BARDEN

CHESS CONTINUES to flourish on Britain's offshore islands, encouraged by the Lloyds Bank Islands league played annually by telephone. This event attracts a good deal of local interest at all the competing venues, partly because telephone chess always has a certain novelty and partly because experience has shown that the competing teams are evenly matched. So far the Shetlands, Isle of Wight and Isle of Man have all taken the trophy with Jersey and Guernsey both well in contention. The controller, B. H. Wood, of "Chess," Sutton Coldfield, Warwickshire, would like to hear from potential players in Anglesey, Wight (which dropped out last year), the Scillies, Canvey Island or the Western Isles who would be interested in taking part.

Also included in the Lloyds Bank offshore programme are the annual congresses at Jersey in April and Guernsey in April, both staged in partnership with the island tourist board. They form an interesting contrast in style. Jersey's is a nine-round event which qualifies for FIDE (World Chess Federation) points and regularly attracts some of the top British masters, while Guernsey provides a popular one-week tournament where more than 200 take part and where the tourist authority lays on a daily programme of excursions and side events. It is unquestionably the best choice of any British congress if you like to combine chess with a relaxing family holiday. Many visitors also come from France, Holland and West Germany. A brochure with full details of Guernsey 1983 will shortly be available from Chess Festival, PO Box 23, St Peter Port, Guernsey, or phone 0481-56848 in the evening.

Both Jersey and Guernsey are traditional proving grounds for young British talent, and the latest tournament last month at the Pomme d'Or Hotel in Jersey was no exception. Winners were the 19-year-old international masters Hodgson and King, while 15-year-old Howell led for several rounds and 11-year-old Darren Wheeler showed fine promise.

This week's game, the best at Jersey, has a double interest. The early moves cast doubt on a well-known line of the French Defence, while the endgame shows the great power of two bishops on an open board, handled by White in a style reminiscent of Capablanca.

White: D. J. King. Black: G. Lee.

Opening: French Defence (Jersey 1983).

1 P-K4, P-K3; 2 P-Q4, P-Q4; 3 N-Q2, P-QB4; 4 KN-B3, BPxP; 5 PxP, QxP; 6 B-B4, Q-Q3.

Should the queen retreat to Q3 or the apparently less active square Q1? The latter's advantage is that the KB's development stays clear: 6 Q-Q1; 0-0, N-QB3; 8 N-N3, N-B3; 9 KNxP, NxN; 10 NxN, P-QR3; 11 P-QB3, B-QB4; 12 B-K3, Q-B2 with an early draw (Hubner - Petrosian, Bugojno 1982).

7 0-0, N-KB3; 8 N-N3, N-B3; 9 QNxP, NxN; 10 NxN, B-Q2; 11 P-QN3, B-K2; 12 P-QR4 (threatening B-R3 and forcing the reply), Q-N1; 13 R-K1, 0-0; 14 B-N2, Q-B5 (better R-Q1, though 15 Q-B3 keeps White's edge); 15 P-N3, Q-N5; 16 B-K2, Q-R6; 17 B-KB1, Q-R4.

17 . . . Q-N3 is no better: 18 B-N2, QxQ; 19 QRxQ, QR-N1; 20 N-B5.

18 QxQ, NxQ; 19 B-N2, QR-N1; 20 QR-Q1, KR-Q1; 21 N-N5, QR-B1; 22 P-QB4, BxN?

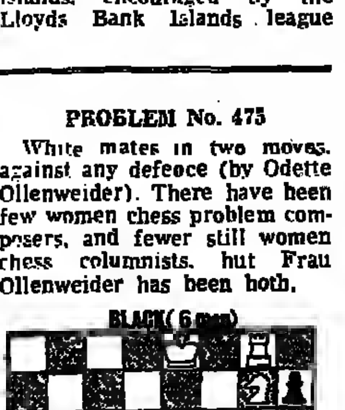
Losing patience. 22 . . . P-QR3 is the best chance though 23 N-Q6 is still good for White. Now White's bishop pair harry the black rooks into defeat.

23 RPxB, P-QN3; 24 B-N7, R-N1; 25 B-KB3, N-B3; 26 B-K2, QR-B1; 27 B-N7, R-B4; 28 RxR ch, BxR; 29 B-Q6, R-B4; 30 B-B6, N-N5; 31 P-B3, N-R3; 32 R-R1, Resigns. White wins the Q-side pawns then marches his own pawns through to queen.

PROBLEM No. 475

White mates in two moves, against any defence (by Odette Ollenweider). There have been few women chess problem composers, and fewer still women chess columnists, but Frau Ollenweider has been both.

BLACK (6 men)



WHITE (5 men)

Solutions Page 14

Election airing

The election's thumbprints are over all the programmes but Radio 3's. Having got rid of the heavyweights on successive Sunday lunchtimes, we now have *Election Call* on Radio 4 every day at 9.05 am, with Sir Robin Day and some high-level politician answering enquiries from the voters. I may say the election is clearly a tonic for Sir Robin. Lately there has been something lack-lustre about his news-reading, with all the sentences ending on the same note. No more. Now every word is filled with excitement as the revelations of the campaign progress.

Election Call is first-class, though as it follows immediately after Frank Bough and his breakfast television it does mean that one is terribly late embarking on the day's work. The worst thing about it, I have to say, is the quality of the questions put by the voters. They want to make political points of their own; or they want to annex as their own something they have read in a newspaper; or (most often) they are concerned with something that affects their personal welfare. How much better such confrontations would be if we could go back to the happy days when the hustings were the hustings, when you could find your candidate in a village hall, even at a street corner, and could heckle him personally.

RADIO

B. A. YOUNG

Sir Robin is a splendid lubricant on his programmes, enabling the tripartite machinery of voter, candidate and himself to function without grit in the works. He is simultaneously presented by television on BBC1, as if he were Wagner's *Ring*, and I'm bound to say I deserted my Hitachi and moved into Chris Dunkley's territory to see how he got on with Mr Hattersley, whom he had lately told to "Chuck it!" They were perfectly amicable. The danger is that after a campaignful of these programmes, not to mention half a dozen evenings on television, half the electorate will have decided that the only man for their vote is Sir Robin.

Radio 1 has its own version of *Election Call* on the *Front Line* spot on Tuesdays, hosted by DJ Simon Bates and complete with a jingle for the number you have to call. (It's the same number as Sir Robin's.) This Tuesday we had Shirley Williams, but before she came on a political expert, John Sargent, gave listeners a short guide to what was going on in the political world. To judge from the questions, no one needed anything like that. The questioners, the youngest of whom was 12 years old, seemed to know what it was they wanted to know, more, in fact, than they always knew in the studio. "Now you want to talk about nuclear power." "That's right: Mrs Williams, I'd like to ask about education."

Naturally, the questions leaned heavily in the direction of education and work, the education questions coming as often from parents as from children. Margaret (we like to use Christian names on Radio 1) must have embarrassed Shirley by her insistence on restoring the status quo of grammar schools, but Shirley isn't easily embarrassed. Twelve-year-old James was worried if he'd have a job when he left school. What did he want to be? "A doctor or something." There's dedication for you. The young people called Mrs Williams Shirley, and the older people called her Mrs Williams. It seemed to me a good programme of its kind. Next week we shall have Denis Healey, and on Tuesday week, Cecil Parkinson.

I've heard three of Radio 3's interesting programmes about *Soviet Life through Official Literature*. "Official literature" is not government handouts, but government-published fiction, the only kind the average Russian citizen will see. The first programme was about romance. If their fiction is like their drama, romance is handicapped by a feeling that marriage isn't for keeps, only for temporary convenience; but it seems the basic stories are much like ours. In historical novels, characters damned by official disapproval may be mentioned, with a suggestion that there may be good and bad on both sides. But those who end up as survivors are expected to have made some kind of gesture towards the kind of life the Soviet knows today.

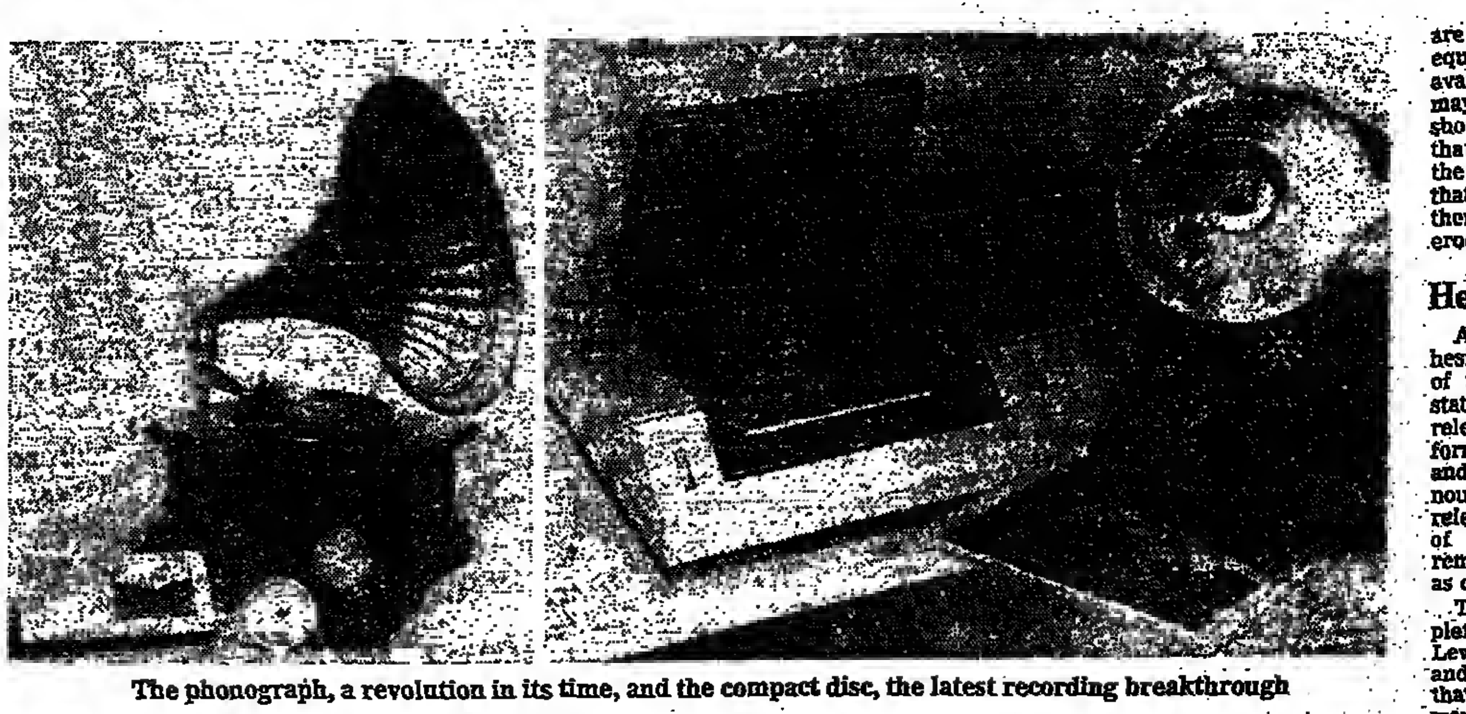
The third programme, to be broadcast tomorrow, is the most interesting. This is about petty crime — hit-and-run drivers, factory managers who give and take bribes, the persecution of officials with anonymous letters. It all sounds rather familiar. Mrs Thatcher reminds us that Andropov has never set foot in a free country. Perhaps there's less difference between us than she supposes.

Andrew Clements misses the hiss as he listens to the innovation that lifts the veil on recorded sound

The traditional LP is dead: long live the compact disc

It's been hailed as the greatest breakthrough in recorded sound since the invention of the phonograph; the audio system that definitely gives studio-quality sound in the home. This time without doubt the audio companies have got it right: the compact disc is no nine-day wonder. It will not disappear without trace in a few years as quadraphonics did; there are no problems with compatibility in this case, no difficult alignments to be made. The claim that compact discs will entirely supersede traditional LPs within a decade seems not at all misplaced.

The development of the new technology went hand in hand with the refinement of digital recording techniques, in which the studio master tape was encoded in digital form with the consequent reduction in tape noise. The compact disc (CD) then extended the digital storage of the recording to the home, thus by-passing the use of analogue, that is traditional recording techniques altogether.



The phonograph, a revolution in its time, and the compact disc, the latest recording breakthrough

Logical

The first flush of conventional LPs boasting "digital recording" were only a partial solution, for they involved converting the digital master to analogue form before the record master was made. The benefits were considerable, not least in the increased dynamic range and perspective of the recordings, but the purely mechanical problems of pressing and tape and surface noise remained.

The compact disc is the logical and crucial next step. All mechanical difficulties are obviated, for the disc, only 120 mm in diameter and spectacularly silvered, is "read" by laser rather than by a stylus; the recorded information is impressed on the disc as a series of pits which the laser detects by reflection. Any lingering similarity to traditional records is dispelled by the playing of the compact disc, which is spun at a variable rate as the laser tracks from inside to out, so that a constant reading speed is maintained.

As now presented, the compact-disc system is the result of collaboration between Sony in Japan and Philips in Europe. To have developed systems independently, so that the public was confronted with a variety of competing systems, each incompatible with the next (as happened with quadraphonics) would have been unthinkable for an innovation of this importance.

Thus the British launch of CD in March brought six disc players on to the market, all of them retailing at around £500, and a sprinkling of discs at £10 each from most of the major record companies. The hardware has been designed to be integrated into domestic hi-fi set-ups with the minimum of fuss: disc player, laser and the circuitry to convert the digital signal into analogue form are contained in a single unit not unlike a small video recorder, while the output from the CD player has been designed to feed into the auxiliary or radio input of a traditional amplifier.

Dynamic

Discs are loaded into the machine like cassettes; they spin in either a horizontal or vertical plane, and are "read" from the back. Up to 60 minutes' music can be accommodated on the single side; double-sided discs are not contemplated. The circuitry of the system allows the CD player to perform some quite complex search-and-find functions, depending on the sophistication of the machine; tracks may be located at random and any excerpt repeated at will.

The results are extraordinary. I borrowed a Sony CD player (a relatively sophisticated model) and a selection of discs released by Philips, Deutsche Grammophon and Decca, though CBS and RCA also have some titles currently available, as have several smaller companies including Nimbus. Connections to existing equipment at home were trivial. The increase in presence, dynamic and frequency ranges is often remarkable, and the total absence of tape hiss and surface noise or blemishes takes a while to sink in, and then one stops listening for it.

The last statement should be qualified: there is no noise on the majority of discs, those taken from digital recordings. But curiously some of the companies have reissued on CD recordings originally made in analogue; one supposes it is to increase the range of the available repertory. The idea is exactly parallel to the practice of transferring 78s to LP; there is an increase in dynamic range and fine detail, but a residue of tape noise necessarily remains.

A number of reviews of CD have likened the effect to a veil being lifted from the recorded sound and I can think of no better metaphor. A barrier between listener and the music has been stripped away; one is drawn into the performance in a way that is natural in the concert hall, but too often does not happen with LPs. The music is presented warts and all; the lack of background noise gives unusual prominence to the extraneous sounds of the recording studio: music stands are clipped, pages turned, conductors dance on the podium.

I never found such things intrusive; on the contrary, they sometimes enhanced the illusion of the performance. In only one disc, otherwise enchanting accounts of Mozart piano concertos K.466 and K.414 by Rudolf Serkin with the London Symphony Orchestra under Abbado (Deutsche Grammophon 400 068-2), did an out-of-tune note on the piano grate at all; it was something I had never noticed when listening to the equivalent LP.

Revealing

Direct comparison between CD and LP was especially revealing. Only once was there any possible doubt as to which one was hearing: Michelangeli's recordings of the Brahms Ballades and Schubert's A minor sonata D.537 (Deutsche Grammophon 400 043-2) were notably detailed when they appeared on LP, and I seem to have been blessed with an especially good pressing; rapid switches between new and old format were not always instantly obvious. Otherwise everything was an immediate gain in fidelity. It is not a system that makes indifferent music-making any better, but it does give first-class performers the best possible context.

I found Zubin Mehta's view of Strauss's *Also sprach Zarathustra* no more acceptable on CD (Philips 400 072-2) than it would have been on LP; if anything its superficiality and brashness are emphasised in the compact form. And Georg Solti's hair-raisingly physical account of the Bartok Concerto for Orchestra (Decca 400 052-2) cannot disguise the fact that the playing of the Chicago Symphony Orchestra is marginally less precise than that of the LSO on Solti's age-old LP version for the same company.

There are some CD issues already that are obviously going to become classics of the recording art: Ravel's *Daphnis and Chloe* from Charles Dutoit and the Montreal Symphony Orchestra and Chorus (Decca 400 055-2) has breathtaking immediacy and textural fidelity, and both Abbado's version of Stravinsky's *Petrushka* (Deutsche Grammophon 400 042-2) and Sibelius's fourth symphony from Ashkenazy (Decca 400 056-2) are superior versions of standard repertory works that are given added impact by the exemplary sound.

So should everyone who can afford it rush out immediately and invest in a CD player and a range of discs? Possibly, but possibly not—yet. It seems likely that prices of players will fall considerably in the next 18 months to two years, perhaps by as much as 50 per cent. Discs are unlikely to come down equivalently, though increased availability and discounting may make them cheaper in the short term. It's more probable that CD prices will be held at the present level for a while, so that the difference between them and conventional LPs is eroded by inflation.

Hesitation

A more profound reason for hesitation is the present range of titles. Though Decca has stated that all its output will be released in both LP and CD format from the end of this year and EMI has recently announced that it too will be releasing CDs from the middle of this year, the repertory remains limited, in rock as well as classical areas.

There is as yet only one complete opera available—James Levine's *Magic Flute* on RCA—and it is salutary to remember that something like Tristan would cost around £50 at current CD prices. Chamber music is minimally represented; Shostakovich's fifth symphony and Rodrigo's *Concierto di Aranjuez* are the nearest to contemporary music the CD catalogue can offer at present.

Without exception the first batches of releases have erred on the side of safety. There is the inevitable rash of Pavarotti recordings, the popular symphonies and concertos, the orchestral spectaculars like *Zarathustra* and Saint-Saëns Organ Symphony, plenty of baroque muzak. Certainly the situation is changing month by month, but perhaps not as rapidly as some serious record collectors would hope. Next Christmas might be a good time to treat yourself to a CD installation.

Kubelik at the Barbican

The Czech-born conductor Rafael Kubelik will make a rare visit to Britain when he becomes conductor in residence for the London Symphony Orchestra's June/July season at the Barbican.

Kubelik's 12 concerts will include two Brahms Symphony Cycles—one of the major events in London to celebrate the 150th anniversary of the composer's birth.

The June/July season is the first by the LSO since its return from a world tour.

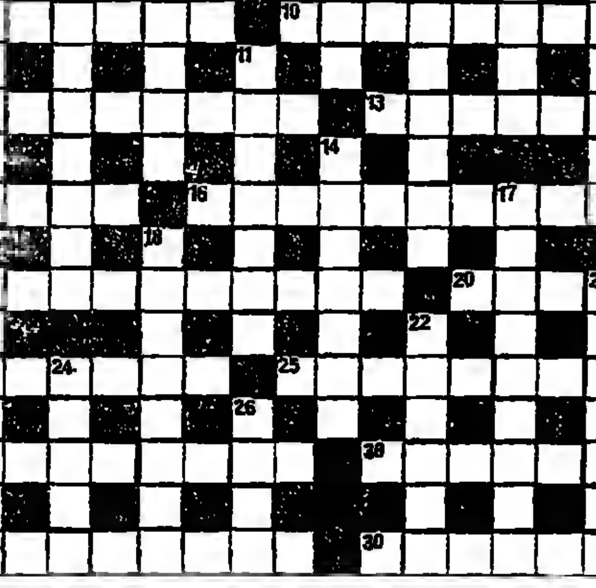
F.T. CROSSWORD PUZZLE No. 5,177 "END OF SEASON"

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



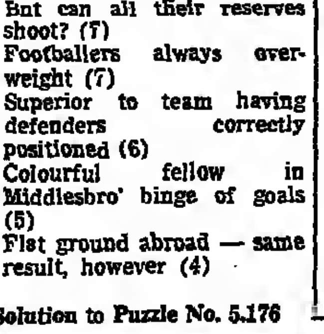
ACROSS

1 They are beating the Scottish club (6)
4 Full of promise, advanced side at Wembley for the first time (8)
9 Formerly, Third Division (North)? (6)
10 A NE breed, perhaps, to play in Scotland (8)
12 Yorkshire team get two points in long grass (8)
13 Saints clutching uniform of reduced sides (6)
15 It evokes memories of the Harlech off-side trap (4)
16 Bidding for cup and united by it, they play city in Derby (10)
19 University house eleven (5, 5)
20 It is blinking painful for spectators (among the worst Yeovil suffered) (4)
23 Sharpens up for return games (6)
25 I leave train, just to see Rovers (8)
27 Splendid chaps, those Palace supporters! (8)
28 Badly struck ball? Half hide in fog (6)
29 Inn meal's ordered for flagging official (8)
30 Main players of Crewe, we hear (6)

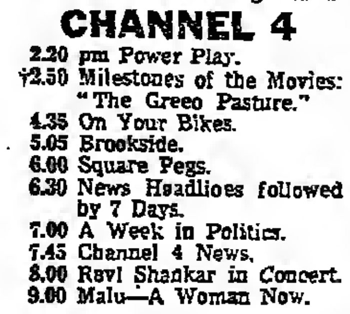
DOWN

1 Fit, hale — Brighton's three up-front like a taxi going to Wembley (7)
2 Team used to shooting practice at home? (9)
3 Showing the style Everton is holding in (6)
5 York shortly going up? Dress for it (4)
6 Groundsman could be enraged at reckless opening (8)
7 Word of comfort helping downcast Hereford? (5)
8 Not an employer to see one's run fouled (3-4)
11 Describing Liverpool's first half only? (7)
14 They are climbing, knocking spots off Hull (7)
17 Not me that put out that capital side (9)
18 Are they good at chipping in Flint? Have been sent off, we hear (8)
19 But can all their reserves shoot? (7)
21 Footballers always overweight (7)
22 Superior to team having defenders correctly positioned (6)
24 Colourful fellow in Middlesbro' binge of goals (5)
26 Fist ground abroad — same result, however (4)

Solution to Puzzle No. 5,176



SOLUTION AND WINNERS OF PUZZLE No. 5,171



Mr F. H. Way, 26 Beach Road, Westward Ho! Bideford, North Devon.

Mr H. A. Kimm, 5 Dukes Row, Cootham, Pulborough, West Sussex.

Mr P. Douglas, 36 Orton Road, Leicester LE4 2AS.

BBC 1

† Indicates programme in black and white

6.25-8.30 am Open University. †8.55 Edgar Kennedy in "Edgar Hamlet." 9.15 Get Set. 10.57 Weather.
11.00 Cup Final Grandstand including 12.50* News Summary; Brighton and Hove Albion v Manchester United, kick-off at 3.00, including also 11.00 Cup Final Morning and Sporting Choice; 11.45 The Cup Final Managers (interviews); 12.00 "A Crucial Twelve Months," The Key Men, "A Weekend in London" and "Save of the Season"; 12.45 News Summary; 12.50 A Question of Sport; 1.10 "Up, Up and of the Year; 1.35 Goal of the Away"; 1.15 Young Player Season; 1.45 Inside Wembley; 2.00 A Question of Sport (continued); 2.15 The Final Word. 2.30 Community Singing and "Abide with Me"; 4.45 Presentation of the Cup and Medals by the Duke of Kent; 4.55 Meet the winners with Barry Davies.
5.10 Kung Fu.
6.00 News.
6.10 Regional Variations.
6.15 The Keith Harris Show.
6.50 Pop Quiz.
7.20 Date with Danger: "Crisis in Mid-Air" starring George Peppard.
8.55 The Val Doonican Music Show with guests Don Williams, Stephane Grappelli and Sweet Dreams.
9.40 News and Sport.
10.00 Dynasty.
10.50 Fanny by Gaslight, part 3.
11.45 Saturday Late Film: "Notre Dame" starring Gina Lollobrigida and Anthony Quinn and at 5.05 "Panache" starring Reen Auberjonois.

REGIONAL VARIATIONS:
Wales—6.10-6.15 pm Sports News Wales.
Scotland—10.57-11.10 am Cartoon Time. 11.10 Troon 82 (Highlights of last year's Open Golf Championship). 12.00 "Willy Wonka and the Chocolate Factory" starring Gene Wilder. 1.35-5.10 Cup Final Sportscene: The 98th Scottish Cup Final: Aberdeen v Rangers from Hampden Park plus from the English FA Cup Final at Wembley, first-half highlights at 3.45, second-half highlights at 4.40, also including 1.35 A Question of Sport (as BBC1 12.55 pm). 2.10 Goal of the Season (result), and 2.20 Cup Final Top of the Pops.
England—6.10-6.15 pm London and the South-East: Sport; South-West (Plymouth): Spotlight Sport; All other English regions: Sport/Regional News.

BBC 2

6.25am-3.10pm Open University.
3.25 Saturday Cinema Double Bill: "The Hunchback of

6.15 States of Mind.
7.05 News and Sport.
7.20 L for Lester.
7.45 Metro-Land.
8.35 World Snooker. The 147 Maximum.
8.55 "Accident" starring Dirk Bogarde and Stanley Baker.
10.35 Newsnight.
11.05-12.55 am Film International: "The Witness" (Hungarian Film with English subtitles).

LONDON

6.00-9.15 am TV-am Breakfast Programme.
9.30 No. 73.
11.00 am WORLD OF SPORT from Wembley Stadium—Welcome to Wembley, with Dickie Davies; 11.05 Meet the Manager; 11.15 Snooker; 12.00 On the Ball; 12.25 Tarby's Wembley Party hosted by Jimmy Tarbuck; 12.30 News followed by Australian Pools check; 12.35 Wrestling; 12.50 Snooker; 1.15 Wembley '83 with Martin Tyler and Jim Rosenthal; 2.10 It'll Be All Right on the Day with Denis Norden; 2.40 Wembley '83; 2.45 Abide With Me; 2.50 Here They Come; 3.00 Kick-Off; 3.45 Half-time Verdict with Ian St John, Jimmy Greaves and Jack Charlton; 3.55 Second Half; 4.40 Final Whistle. (If extra time is played programmes will be rescheduled as follows: 5.50 News; 6.00 The Smurfs; 6.10 The Fall Guy; 7.00 As scheduled).
5.15 News.
5.25 The Smurfs.
6.05 The Fall Guy.
7.00 Russ Abbot's Madhouse.
7.30 Chas and Dave's Knees-op.
8.15 T. J. Hooker.
9.15 Tales of the Unexpected.
9.45 News.
10.00 Office Romances.
10.55 London News Headlines followed by Darts.
11.30 The Leeds Folk Festival.
12.00 Close: Sit Up and Listen with Barbara Leigh-Hunt.

CHANNEL 4

2.20 pm Power Play.
†2.50 Milestones of the Movies: "The Green Pasture."
4.35 On Your Bikes.
5.05 Brookside.
6.00 Square Pegs.
6.30 News Headlines followed by 7 Days.
7.00 A Week in Politics.
7.45 Channel 4 News.
8.00 Ravi Shankar in Concert.
9.00 Malu—A Woman Now.
10.00 Bouquet of Barbed Wire.
11.00 The Late Clive James.
†11.50 Naked City.

S4C (WALES)
2.05 pm Staging an opera. 2.25 Kill or Cure? 3.05 What a picture! 3.35 Treasure Island. 7.00 Gwesty Gwirion. 7.30 Newyddion. 7.45 Anturi. 8.15 Cerdd O'r Cyrydd. 8.45 Capstick Capers. 9.15 Arolwg. 9.45 Chwaraeon. 10.45 S.W.A.L.K. 11.15 Godard Film: "Weekend."

REGIONS

All IBA Regions as London except at the following times:—

ANGLIA
5.35 pm "One Hour To Doomsday," starring Stuart Whitman, Robert Wagner and Rosemary Forsyth. 10.55 Hill Street Blues. 11.55 Portrait of a Legend (Dean Martin). 12.20 am At the end of the day.

CENTRAL
5.25 pm Saturday Cinema: "Battle for the Planet of the Apes," starring Roddy McDowall, Claude Akins and John Huston. 10.55 Great Fights of the Seventies: Ali/Frazier—January 28 1974.

CHANNEL
5.25 Puffin's Pla(i)ce. 5.30 Happy Days. 6.00 Falcon Crest. 10.55 Great Fights of the 70's (Ali v Spinks, Eps. 1).

GRANADA
5.25 pm "Battle for the Planet of the Apes." 10.55 Match Time—Highlights from the FA Cup Final. 11.40 The Late Film: "Bang the Drum Slowly," starring Robert de Niro.

HTV
10.58 am HTV News. 5.25 "Battle for the Planet of the Apes," starring Roddy McDowall, Claude Akins, Natalie Trundy, Severn Darden, Lew Ayres and John Huston. 10.55 The Gangster Chronicles. 11.55 In Concert. Jay Crawford presents "The Blues Band," a combination of the Manfred Mann band of the '60s and the McGuinness Flint band of the '70s.

SCOTTISH
†8.30 Laurel and Hardy in "Chickens Come Home." 10.05 Mad Monster Party. 11.45 Scotsport Cup Final Special. 11.55 Glen Michael's Cup Final Cavalcade. 12.25 pm Snooker. 12.50 Scotsport Quiz Final. 1.15 Wrestling. 1.40 Cup Final Preview. 1.50 Indoor Bowling. 2.20 Snooker. 2.40 The Scottish Cup Final. 3.45 Half Time. 3.55 The Second Half. 4.40 Final Whistle and Cup Presentation. 5.25 One Hour to Doomsday. 10.55 Late Call. 11.00 Musical Special (the Demis Roussos Magic).

TVS
10.57 am TVS Weather. 5.25 pm Saturday News and Sport (TVS production). 5.30 Knight Rider. 8.30 Rising Damp. 10.55 Brighton's Night Out—Brighton's football team returns from Wembley and Fred Dinenage is at the Cup Final banquet in the Brighton Centre. 11.55 The Laughing Girl Murder. 12.25 am Company.

TSW
9.20 am Look and See. 9.30 The Saturday Show. 10.28 Gus Honeybun's Magic Birthday. 10.30 Star Fleet. 10.50 Cartoon. 5.25 pm TSW Regional News. 5.30 Happy Days. 6.00 Falcon Crest. 10.55 Great Fights of the 70s (Ali v Spinks). 11.55 Postscript.

TYNE TEES
9.30 am Morning Glory. 10.58 North East News. 5.23 pm North East News. 5.25 "Battle for the Planet of the Apes," starring Charlton Heston and Roddy McDowall. 11.00 Live at the Millionaire. 11.30 Thriller. 12.50 am Poet's Corner.

RADIO 1
(S) Stereo (when broadcast on vhf)
9.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm Guitar Greats: Pete Townshend (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2
8.05 am David Jacobs (S). 10.00 Sounds of the 50s (S). 11.00 Album Time (S). 1.00 pm The News Huddlines. 1.30 Sport on 2: FA Cup Final: Brighton v Manchester United at Wembley; also Aberdeen v Rangers in the Scottish FA Cup Final at Hampden Park. 6.00 Country Greats in Concert featuring Jerry Lee Lewis. 7.00 Jazz Score. 7.30 Cricket Desk. 7.30 Big Band Special (S). 8.00 The Jackie ... Philharmonic Orchestra presents music by Tchaikovsky, Rachmaninov, Berlioz, Bernstein and Mahler. 9.50-9.10 Interval. 10.00 Saturday Rendezvous (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am Bill Rennells presents You and the Night and the Music (S).

RADIO 3
8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.25 Midday Concert, BBC Scottish SO, part 1: Gerhard, Walton (S). 12.05 pm Interval Reading. 12.10 Concert, part 2: Tchaikovsky. 1.00 News. 1.05 Messiaen and Robert Sherlaw Johnson (S). 2.00 Nielsen (S). 3.10 Jean-Henri d'Anglebert harpsichord recital (S). 3.40 Henryk Szeryng (S). 4.10-4.15 Interval Reading. 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Organ Music of Georg Bohm (S). 7.20 And Now in Age I Bud Again. 7.30 Bernstein Conducts the BBC Symphony Orchestra, Concert given April last year in the Royal Festival Hall, part 1: Elgar (Enigma Variations) (S). 8.05 Against Fruition (the Poetry of Sir John Suckling). 8.25 BBC SO, part 2: Bernstein (Songfest) (S). 9.15 Beethoven chamber music (S). 9.56 Interpretations on Record (S). 10.45 The English Madrigal (S). 11.15-11.18 News.

RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather, travel, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Breakaway. 9.00 News. 9.50 News Stand. 10.05 Campaign Forum. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather: programme news. 1.00 News. 1.10 Any Questions. 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Not Only Down the Garden Path. 3.05 Wildlife. 3.30 Groundswell. 4.00 News. 4.02 International Assignment. 4.30 Does He Take Sugar? 5.00 So You Want to be a Writer. 5.25 Injury Time (S). 5.50 Shipping Forecast. 5.55 Weather: travel: programme news. 6.00 News. 6.25 Desert Island Discs (S). 7.20 Stop the Week with Robert Robinson (S). 8.00 Richard Baker with records (S). 8.30 Saturday-Night Theatre (S). 9.45 Nellie (Nellie Titterington, housekeeper to Thomas Hardy). 9.58 Weather. 10.00 News. 10.15 The Plant Hunters. 11.00 Lighten Our Darkness. 11.15 Archive Auction. 11.30 Election Platform. 12.00 News.

BBC RADIO LONDON
7.32 am Good Fishing. 8.04 London Today. 8.33 The Boat Show. 9.03 Openings. 9.30 Corridors of Power. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.30 Book Now. 6.00 Guideline. 6.30 A Month in a Monastery. 7.00 Evening Star. 8.00 Radio Replies. 8.30 Maitland Interview. 9.00 Hold the Front Page. 9.30 Good Fishing. 10.00 As Radio 1. 12.00-5.00 am Join Radio 2.

LONDON BROADCASTING
7.00 am AM with Magnus Carter and Jenny Lacey. 10.00 Jellybone with Clive Bull. 12.00 LBC Reports with Des Fahy. 1.00 Sportswatch with Dominic Allen. 5.00 LBC Reports with Des Fahy. 7.00 Guest Male. 8.00 Network. 9.00 Hayes on Saturday. 10.00 Nightline with Phillip Hodson. 1.00 am Night Extra with Steve Allen. 4.00 Travel '83 with Steve Crozier. 4.30 Decision Makers.

CAPITAL RADIO
7.00 am The Dave Cash Show. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 The Music Centre with John Sachs. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Gary Crowley's Magic Box. 7.00 Al Matthews' Soul Spectrum. 9.00 Roots Rockers with David Rodigan. 11.00 View From The Top with Roger Scott. 12.00 Midnight Special—Phil Allen.

CHESS SOLUTIONS

Solution to Position No. 475

1 P-Q7, R-Q8; 2 B-Q5! RxB; 3 P-K6 wins. If 1 . . . R-KR1; 2 B-N8! RxB; 3 P-K8, or if 1 . . . R-R8 ch; 2 B-R2! RxB ch; 3 K-N3, R-Q7 or R1; 4 P-K8 (a study by L. Prokes, 1941).

Solution to Problem No. 475

1 Q-KB1! If 1 . . . PxQ=Q; 2 R-KR5, or if P-R8=Q ch; 2 N-K6, or if PxB=Q; 2 Q-QR6, or if PxP (or RxB); 2 R-KB6.

THEATRES

[illegible]

The 1982s could be a vintage to remember

BY EDMUND PENNING-ROWSELL

EVER SINCE the first grapes were brought into the *cuviers* for fermentation last mid-September, excitement about the 1982 clarets has grown. Professor Emile Peynaud, of Bordeaux University and eminent adviser to almost countless châteaux, told me that the grapes contained more sugar than any vintage since 1947, and M Christian Moueix of Pétrus said that it was the kind of vintage made only once in a decade. All this in spite of it being of record size at least since 1934, when no adequate controls on production existed. Such classic vintages of the past as 1945 and 1961 were exceptionally small.

However, it is not that kind of a vintage, as Peter Sichel, proprietor of Angludet and part-owner of Palmer, makes clear in his annual market survey, written a month or two ago:—

"What is becoming clear is what they (the 1982s) are not. They are not like 1945 or like 1961. Both of these years were exceptionally dry, which 1982 was not, and the yield was very low in both these years also. As a result the wines had a high dry extract and concentration of character which the 1982s do not. It was not as hot as years such as 1949 and 1947, but it was similar in both temperature and rainfall to 1959. Rather warmer but also wetter than 1970, another year of high yield, that was probably the most recent year when musts approached such high sugar levels . . . It is certainly the vintage which springs to mind for comparative purposes, though there are considerable variations on the theme."

Which goes to show that vintage comparisons, if not odious, are at least unreliable.

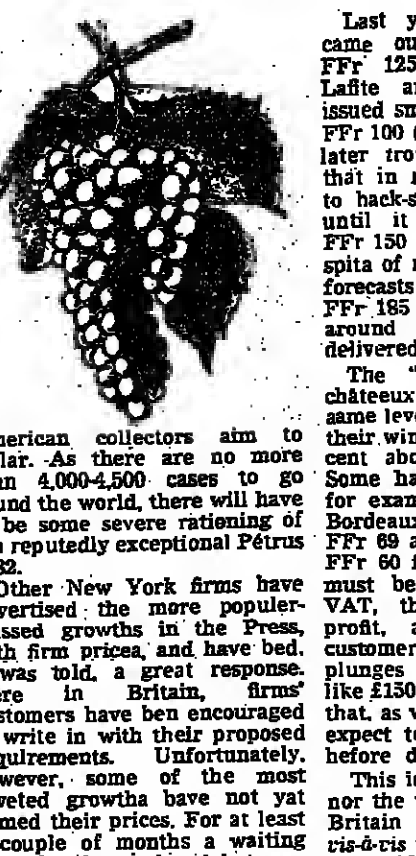
What really made the vintage after a good summer was a fortnight or so of torrid weather from the beginning of September. This, however, allied to the sheer quantity of the crop, led to fermentation problems, while rain late in the month, and persistent rain in early October caused some dilution when the crop was not already in.

The excessive heat could lead to high volatile acidity, ie, vinegar, unless temperature control was str...—not so easy among the *petits châteaux*—and the rain to a lack of colour and body. Fortunately techniques have greatly improved since the similarly hot 1947, when even some of the leading Médocs went over the top—and a little sharp acidity can be detected in them even today. Dilution can be dealt with by selecting only the best casks.

There are certainly some lesser growths that did not cope with these difficulties, and I have tasted one or two, but it is improbable that British merchants will buy them. However, it should be realised that as silk purses do not emerge from sows' ears, nor do *crus classés* from *petits châteaux*. There will be excellent examples of the latter but they cannot be expected to turn into masterpieces. It is the situation, the soil and the grower's skill that counts. Those who hope to drink "great" 1982s must be expected to pay a certain price, though this does not necessarily mean first-growth prices that are not based on quality alone, but often also on prospects of capital gain.

The excitement over these 1982s has led to a market in "futures" unparalleled since the 1970s; and we know what happened to them—the slump of 1974-76, though that was more the result of a steep rise in the price of oil rather than that of wine.

The vintage has particularly "struck" the American market, as I witnessed in New York a couple of weeks ago; and not surprisingly, considering the very favourable relation of the dollar to the franc. As a result half a dozen of the leading wine merchants have been putting out offers that in some cases at least are unlikely to be fully met. One firm told me that they had orders for 400 cases of Lafite and 300 for Pétrus—the *primus inter pares* that all wealthy



American collectors aim to cellar. As there are no more than 4,000-4,500 cases to go round the world, there will have to be some severe rationing of the reputedly exceptional Pétrus 1982.

Other New York firms have advertised the more popular-classed growths in the Press, with firm prices, and have had, I was told, a great response. Here in Britain, firms' customers have been encouraged to write in with their proposed requirements. Unfortunately, however, some of the most coveted growths have not yet named their prices. For at least a couple of months a waiting game has been played between them; most of all, of course, among the first-growths. The reason is not so much to make more money, but not to take a centime less than their neighbours. They all made handsome profits with their 1981s, so they are in no immediate need of cash; and the financial year does not end until June 30.

Last year the first-growths came out at an average of FFr 125 a bottle, although Lafite and Mouton-Rothschild issued small quantities early at FFr 100 (though much more for later *tronches*), while Latour, that in recent years has tried to back-stage its rivals, waited until it sold successfully at FFr 150 a bottle. This year, in spite of much larger quantities, forecasts range from FFr 170 to FFr 185 a bottle. That means around £25 a bottle when delivered in 1985.

The "seconds" and those châteaux now regarded on the same level are expected to offer their wines at from 15 to 20 per cent above last year's prices. Some have already come out: for example Palmer at an ex-Bordeaux merchant's price of FFr 69 a bottle, compared with FFr 60 for the 1981. To this must be added freight, duty, VAT, the British merchant's profit, and delivery to the customer. Unless the franc plunges this looks something like £150 a case—and for a wine that, as with its peers, one must expect to wait up to 10 years before drawing the cork.

This is not to decry the price nor the vintage, although we in Britain are less well placed *vis-à-vis* the cost as we were for the 1981s. Dedicated claret drinkers who in the past have bought *en primeur* have seldom regretted their outlay. But prices of 1982s with an international reputation are probably higher in real terms than ever before; yet there will be some very good bargains among the plentiful lesser growths, for the wines are deep in colour and fruity. Some say that the Médocs and the Pomerols are superior to the Graves and the St Emilions, but these are early days.

Recently two leading Bordeaux merchants held extensive trade tastings in London of their 1982s: Nathanel Johnston and de Luze. All, of course, with cask samples, and no first-growths, not yet ready to release samples. Tasting very young clarets is hazardous, if fascinating. Identical wines in both tastings did not always give the same impression.

For what it is worth, the leading wines that appealed to me included Beychevelle (after a bad patch), Léoville-Las-Cases (deep flavoured), Léoville-Poyferré (after many disappointing years in relation to its class), Cos d'Estournel, Montrose, Grand-Puy-Lacoste (particularly fine, big wine), Haut-Batailley, and Figeac. Cantenac-Brown, often excessively hard and tannic, showed well, but in neither tasting did two of the most esteemed growths taste as well as expected: Pichon-Comtesse and Ducru-Beaucaillou. Nor did La Lagune shine, while Lynch-Bages seemed a little uninspired at the moment. Yet cask samples, drawn perhaps weeks earlier, are unreliable. On both occasions lesser wines showed well, but, unlike the above, not all may be available here, so they are not worth mentioning. But the soon-to-be-offered selection of those British merchants who have been to Bordeaux and tasted the wines on the spot rather than in cask sample should be well worth following up in what is undoubtedly a very fine and probably not too-slow developing vintage.

Magic prints to be seen through

BY JANET MARSH

"TRANSPARENCIES" are a byway of early 19th-century English prints that has hardly been explored. Indeed the impressive collection of these curious and charming engravings which figure in a sale of children's books and juvenilia at Sotheby's on Monday is the only comprehensive one of its kind of which I have ever been aware.

The characteristic of "transparencies"—they are sometimes alternatively called "transformations," "protean views" or "dioramic views"—is that parts are rendered translucent, so that when held up against a strong light the pictures appear to have their own illumination. They typify the fascination of English artists and their public, in the last quarter of the 18th century, with the relationship of painting and light. Constable, Turner and the great landscape artists of the end of the century experimented ceaselessly to produce lighting effects on their canvases. In the 1780s the landscape and scenic artist Philippe Jacques de Loutherbourg thrilled London with his "Eidophusikon," a kind of theatre without actors, in which romantic stage settings were illuminated with sophisticated effects of changing light.

"Transparencies" came into vogue late in the century, at the end of 1798. The publisher Edward Orme claimed to have invented the process. "In trying experiments to improve the varnish generally used for oil paintings, some of it dropped upon the dark part of an engraving; which being afterward exposed to the light, the spot where the varnish had been spilt formed a light in the midst of shadow. This, being daily before my eyes, suggested the idea of producing by the same means a strong transparent light in prints previously prepared for the effect."

"Gothick" horror stories were in vogue, and Orme's first effort in the new technique was a dramatic representation of "Sir Bertrand in the Haunted Castle," drawn by his brother William Orme. It was a success; and he followed it with "The Castle Spectre," then turned to the theatre for "The Temple of the Sun, from *Pizarro*," "The Tomb of Juliet" and "The Witches from *Macbeth*," perhaps the masterwork of the genre.

Between 1798 and 1807 Orme published some 60 transparency prints. He soon had competitors —notably the redoubtable Rudolph Ackermann in the Strand, who by February 1799 advertised that he issued new transparencies weekly. Favoured subjects were still romantic ruins, Gothic romances and, inevitably, Vesuvius in eruption; but the industrial revolution could provide such appropriate and stirring subjects as the furnaces of a glass factory.

In 1807, partly no doubt to reassert his claim to be the original inventor, Orme published *An Essay on Transparent Prints, and on Transparencies in General*. It is a beautifully designed folio, on fine Whatman paper, and illustrated with actual examples of transparencies. Now quite rare, the copy in the collection at Sotheby's will probably realise £500 or more.

Orme's *Essay* illustrates some of the uses for transparency prints, in decorating windows, fire-screens, window blinds, candle-shades, screens and fans. Very occasionally the collector may come across such items, but generally these made-up items were too delicate and vulnerable to grime to survive on any large scale.

By the time Orme published his *Essay* the first vogue for transparencies seems to have waned; but in one passage he shows remarkable foresight. At this time panoramas—vast *trompe l'oeil* paintings designed to give the spectator an illusion of heightened reality—were in vogue. "Panoramas being so much in fashion," wrote Orme, "I should wish to recommend a transparent panorama, which would produce a striking effect, and could not fail to attract by its novelty."

Something of the sort was achieved, in fact, 14 years later when Louis-Jacques-Mande Daguerre, a scenic artist best known for his later work as a pioneer of photography, invented his Diorama. This consisted of huge canvases, 60 feet wide, made partially translucent and with subtle variations of lighting produced by shutters, blinds and window lights before and behind. Daguerre opened his first Diorama in Paris in 1822, and his second in Regent's Park, London, the following year. It remained for over 30 years one of the popular sights of London. Not the least of its charms was the novel presentation. The audience were offered two pictures for their money; and the circular auditorium in which they sat revolved to carry them bodily from one scene to the next.

Detail from a "protean view"

The popularity of the Diorama revived interest in transparency prints, though now they took a new form, adapted more to the parlour than the portfolio. The pictures were lithographed, the effects of shadow and translucency were applied to the back, and then covered over with a tissue. The whole was then window-mounted in a grey cardboard frame.

The range of subjects was extended. London views and exotic beauty spots were shown with day-into-night or winter-into-summer transformations. Vesuvius at rest and in eruption, the House of Commons before and during its conflagration, and the Burning of Moscow were popular catastrophic subjects. Or the Rose of England, when held up to the light, would be metamorphosed into the new Queen herself.

The most prolific publisher, from the late 1830s, was William Spooner of The Strand, who also issued jigsaw puzzles and table games. One of Spooner's most intriguing transparencies, "The Magic Mirror," seems like a prediction of television: the magician shows two young women a blank screen, but when the transparency is illuminated, a scene of a wedding (presumably a prophecy of one of the ladies' future) materialises on the screen.

The most notable of Spooner's competitors was W. Morgan of Holborn Hill, who produced fewer transparencies but of very high quality. At least one of them was taken directly from a canvas in Daguerre's Diorama. Other publishers developed special viewers for transparencies, like the French Polyrama Panoptique or Clark's Portable Diorama, which provided six scenic views and six sky effects which could be matched in three dozen permutations.

The new vogue lasted into the early '90s. After that, transparencies were to enjoy one more revival, in the form of "hold-to-light" postcards. But by that time they had lost most of their novelty. The cinema screen had made painting with light a fact of daily life.

Today's FA Cup Final; **Trevor Bailey** favours Manchester United

Brighton still has a chance

FORECASTING the outcome of any football final is a dangerous pastime, as was perfectly illustrated at Wembley two weeks ago in the Rugby League. Nevertheless, I expect Manchester United to beat Brighton today in the FA Cup Final at Wembley. But unless they score an early goal, they should not win by the margin their basic superiority warrants. (After all they are one of the few clubs who have improved this season in what must surely be the weakest and most undistinguished First Division since the war, while Brighton have been relegated.)

United also finished third in the table and reached the Milk Cup final when — handicapped by injuries during the match to their two central defenders they were defeated by Liverpool. This should provide them with another incentive, as it is always tough to lose at Wembley, but to do it twice in the same year does not bear thinking about.

Manchester United will miss their aggressive midfield ball winner Moses, who is suspended, but his absence is unlikely to prove as damaging as Brighton having, for the same reason, to do without their captain, centre half and one of their few high quality players, Foster. An injury to the admirable Coppell — about the most accurate passer of a ball — means that Ron Atkinson's right flank will not be quite as menacing as usual, but he possesses exceptional reserve cover which includes Cunningham, Gidman, Buchan, Macari and Wealands who would command a regular place in most League teams.

The Coppell injury also means that the United squad — costing over £3½m — will be not only the most expensive ever brought to Wembley, but its wage bill must be the highest in the land.

After Liverpool, United have more potential and talent than any other club. Every member is a highly accomplished performer. The side has two brilliant strikers, Stapleton and young Whiteside, the artistic skill of Dutchman Muhren, the precision of Wilkins and the drive and goal sense of Robson in midfield, and two strong and dependable centre backs, Moran and McQueen. With so many talented players, United at their best have style and are capable of playing football of a higher calibre than Brighton could ever achieve.

But this certainly does not mean that the Seagulls have no chance. First, a football match is won by the side who score the most goals, not necessarily by the team who produce the best football. Secondly, Brighton have the confidence of knowing that they knocked out Liverpool on their way to Wembley. Third, as underdogs, they will have the enthusiastic support of the many neutral spectators at the match. Fourthly, Case, who has an exceptionally powerful dead ball shot, also has a happy knack of converting free kicks outside the penalty area into goals.

Finally Brighton will be inspired by those outsiders in recent years who have come away from Wembley with the Cup: Sunderland in 1973, and Southampton who beat Manchester United, in 1976. Can Brighton do the same in 1983?

Much could depend on how Gatting, who takes over from Foster as centre back, copes with his former colleague at Arsenal, Stapleton. Although he is a determined 90-minute player, and possibly better in this position than at full back, does he possess the height and weight to check the Manchester centre forward, who is especially good in the air?

In sharp contrast to their opponents, who have almost an embarrassment of talent in their reserves, Brighton bring in Pearce who last year played in two FA cup ties against Brighton, for non-League Barnet, while young Howlett from Dublin was signed on a free transfer from Coventry this season. Up front Robinson, who partners Stapleton in the Republic of Ireland side, and Gordon Smith are a formidable pair and need to be watched carefully, because both are quite capable of stealing the goal which is so often decisive in a final.

Experience and ability all point to United's victory. However, Brighton, making their first ever appearance in the final, will be trying very hard to upset Manchester's rhythm, score a goal and take that Cup back to the seaside. This would really be a triumph for their lively, likeable manager, Jimmy Melia, who only took over as manager during the season, and would be some consolation for going down into the Second Division.

Ben Wright assesses two of the great modern golfers

Is Hogan on the wane?

THE TWO greatest golfers of the modern era—Ben Hogan and Jack Nicklaus — both appeared in the Colonial National Invitation tournament at the Colonial Country Club, in Fort Worth, Texas last week, won in a gruelling six holes play-off by journeyman Jim Colbert over the ever relaxed but dog-tired Fuzzy Zoeller. Of course the 70-year-old Hogan, appeared only on television, but this in itself was an event of some significance, since this legendary and enigmatical character has been a virtual recluse for more than a decade.

Nicklaus was defending his title, in this most prestigious tournament whose reputation is largely based on the fact that it was virtually Hogan's personal property in his heyday. Between 1946 and his last appearance in 1970, the "Wee Ice Mon" as he was christened by the Scots, when winning the Open Championship at his first and only attempt at Carnoustie in 1953, Hogan won Colonial five times, was second once, third twice, fourth twice and had seven more finishes in the top 12. Only in 1954 did he fail to finish the tournament, illness then forcing his retirement, after he had covered the first 36 holes in level par 140 and thus had a good chance of winning. Apart from that his 19th place finish in 1961 was the only one outside the top 15 until he finished 56th in 1970 at the age of 57.

Jack Nicklaus and (in 1956) Ben Hogan

Nicklaus started his title defence in most auspicious style, with an old putter whose shaft he had made 2 ins longer than standard, and a new more upright stance aimed at sparing his ailing back. Since Nicklaus scored 66 which tied him for the lead, and used the putter only 27 times, 14 of these from the fringes of the greens, he had good reason to feel encouraged. But when I next met Nicklaus, and his son Steve, who also caddied for him when he won the tournament in a Fort Worth restaurant on Saturday night, Jack was more depressed—but only by his play—than I have ever seen him. I feel certain that if Nicklaus cannot make something happen to restore some semblence of consistency in his game before the end of this season, it will be his last full year of competition. Nicklaus all but said this, as he bemoaned his extraordinarily inconsistent scoring, in three events since back spasms forced his withdrawal from the Masters after a lacklustre first round of 73.

At the tournament, champion Nicklaus followed a sparkling first round of 65 with scores of 72, 77 and 73 to finish seven strokes behind the winner. At the Byron Nelson Classic he followed an opening round of 69 with 74, 70 and 69 to finish nine behind the winner. At Colonial Nicklaus slumped to 75, 74 and 69 to finish six shots adrift. And he started so early in the day last Sunday he was never seen on television, on a 2½ hour long programme—always a disaster for the network concerned. Nicklaus told me that he missed so many greens with short irons in those bad rounds since the Masters, that the 69s with which he finished the Nelson and Colonial tournaments were of no significance, because of the lack of pressure.

It is quite obvious to me that the escalating pressure of Nicklaus' numerous business ventures have at last seriously eroded his monumental powers of concentration. He is plainly inevitably on the wane with a vengeance. Sad, but I now believe true.

Hogan and Nicklaus have so much in common as the former revealed so touchingly in the edited segments of his remarkable television conversation with his friend of 30-years, the 1964 U.S. champion, Ken Venturi. Hogan could and can tolerate nothing short of excellence in anything with which he is connected. And it is for the same reason that I believe Nicklaus's competitive career will also be prematurely terminated.

In his interview on CBS Hogan told how he quit the tour in 1932 for five years, because "I hooked the ball so badly even with a four wood off the fairway, I couldn't get it off the ground, and had to go with irons. I couldn't play a dogleg hole, swinging to the right, at all. In fact I just couldn't play."

The rest is history, but Hogan also recalled how he almost left the game for good, on his comeback in 1937. He went back out West that year, with his wife, Valerie, a game rebuilt around controlled fade and $1,500.

The Hogans were down to their last $86 in Oakland, California, when they checked in at the dirt cheap Leamington Hotel. The following morning Hogan found his Buick jacked up on rocks the wheels stolen. He hitched a ride to the course, had no time for practice, and that week, won a cheque for nearly $400. "It was the biggest cheque of my life. There never has been a bigger one, and there never will be," Hogan told Venturi as the tears came to his eyes. "I feel sorry for rich kids. I was born poor, very poor, and had to work like hell for every penny earned. They will never be able to enjoy that same sense of achievement."

Hogan has parlayed his skills, courage and industry into a small fortune with the golfing equipment company that still bears his name, and his imprint —despite now being only a part of the initial AMF giant. But it is a pittance compared to the millions Nicklaus has amassed in his far flung business enterprises. Nicklaus has lasted at the top longer than Hogan and anyone else in the history of the game, except Sam Snead.

Despite the pressure of business that were quickly the undoing of Arnold Palmer, in the 1960s, Nicklaus will almost certainly choose to get out of full time competition while still at the top, rather than play at a level far removed from his best, as have Palmer and more recently Gary Player. Hogan will applaude him if he does.

The man upstairs . . . by Ben Shailo

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Questions of confidence

IT IS, of course, fingers-crossed month in London, with markets confident of a second term for Mrs Thatcher, but slightly nagged by the feeling that the Conservatives have nowhere to go but down. A rhetorical, stand-pat manifesto does not seem to have inspired the faithful, and not even the news of 4 per cent inflation could inspire the markets—there were some hopes, after all, of three-point-something. In a wider sense, though, the world is keeping its fingers crossed. We seem to be in a recovery, albeit a rather weak one: but few outside Wall Street are betting on it yet.

So far as this country is concerned, the fact of recovery is confirmed by the first quarter GDP figures, which show growth at an annual rate of 3 per cent; but the fall in output in the month of April is a warning against expecting anything dramatic. For the rest of the world, however, it is the U.S. economy which matters, and here there is so far more hope than fact.

Housing

The inventory run-down is over, and that has for the moment boosted output, as sales are now supplied from the production line rather than from the warehouse; but except in the housing market, where there is a decided boom in low-price construction, and a one-month-old upturn in retail sales, there is nothing at all exciting to report in terms of final demand.

Consumer incomes are rising, but consumer borrowing is falling; car sales continue to track the figures for 1982 almost uncannily closely, and that was a dreadful year. Wall Street is trading on improved economic forecasts and sharply improved profit forecasts rather than on a buoyant economy—and also on the fading of old fears. A world in which Chrysler and even Dome Petroleum can profit looks relatively safe.

Demand

Assuming, for the moment, that the American economists are right in forecasting a worthwhile recovery in final demand (again, about 3 per cent year-on-year), it might seem safe at least to assume that the recession in world trade is decisively over. Everyone agrees that the U.S. current account is going to get sharply worse, and that means that imports would rise even in a stagnant U.S. economy, and will rise strongly in a recovering economy. Is this enough to ensure a worthwhile recovery among America's trading partners?

Up to a point, it will. The strongest benefit is likely to go to partners closely involved with the U.S. consumer market and U.S. consumer industries—Japan, Mexico and Canada are obviously high on the list. For other developed countries, there is unfortunately a reverse to this coin: falling demand from the developing world and the Opec group in particular. The news that countries like Mexico and Brazil are painfully adjusting their economies is good news for the still crisis-ridden world of international banking, but not for the makers of heavy trucks, or basic capital equipment.

Tentative

It is for this reason that the CBI still speaks for most industrialists in the developed world when it speaks of the recovery as being "slow and tentative." The nuances of this judgement may occupy a good deal of time at the economic summit at Williamsburg a week today with the right-wing leaders of Britain, the U.S. and Germany a good deal more confident of the fact of recovery than the other four participants.

In some ways the market would prefer a slow recovery even if it is tentative, to a confident one which moves too fast; for the fear that continues visibly to haunt the bond markets is that inflation, although it has been subdued, is not yet conquered. A rapid recovery would certainly put strong upward pressure on commodity prices, which remain deeply depressed, and might cause a resurgence of wage pressures. Wage demands are usually stimulated by the sight of strongly rising profits.

Incomes

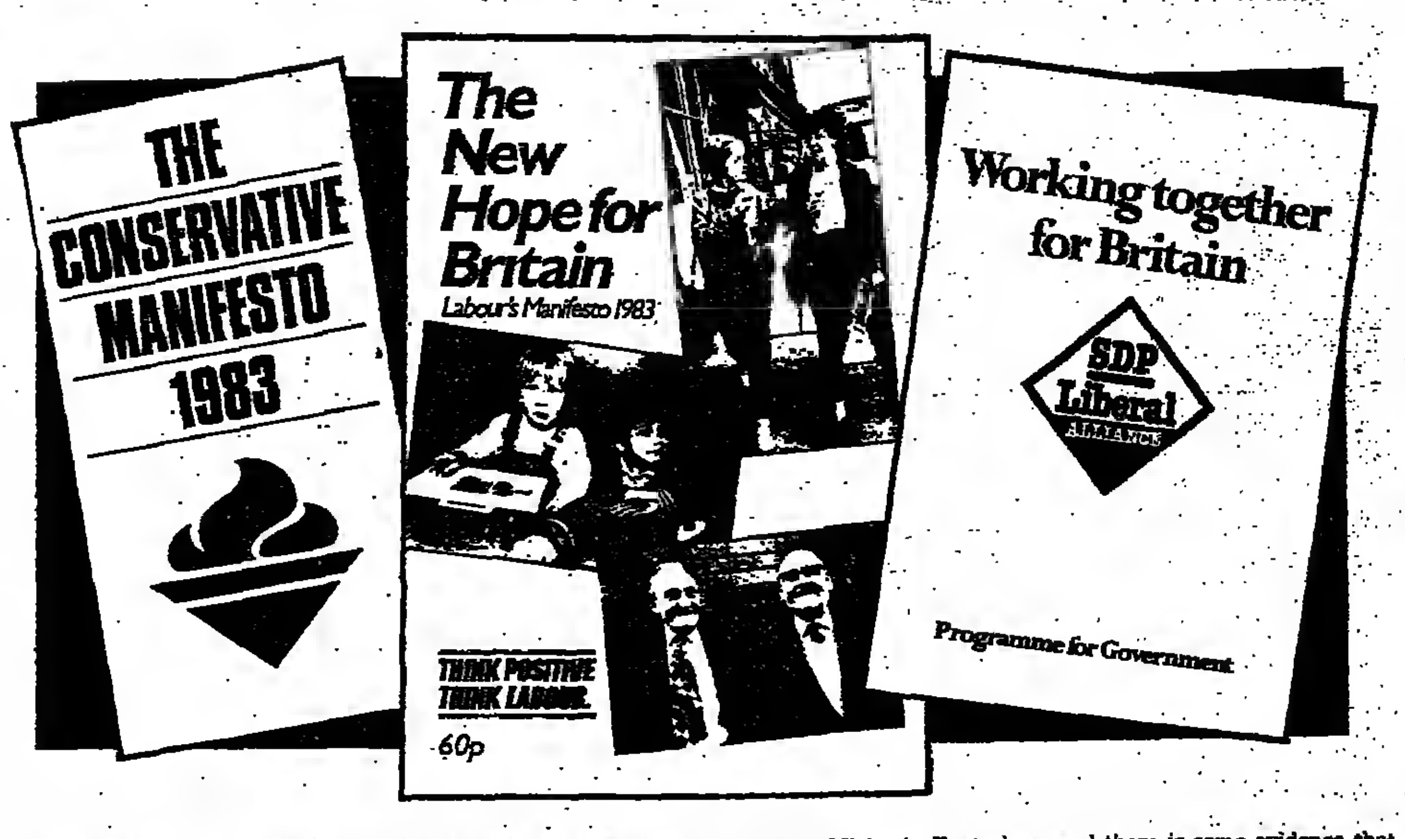
There is little immediate danger in this country. In the first stages of recovery, strong improvements in productivity are usually possible, and there is no reason to fear that the 8 per cent rise in earnings shown by recent figures will put any strong immediate pressure on prices. That is why the economic conjuncture as much as the opinion polls argued for an opportunistic general election.

Real incomes are well up at the moment. At the same time the figure is still much too high for long-run price stability; this justifies the forbiddingly stern tone of Conservative policy-statements. Will continued restraint assure an ordered, gradual recovery, or smother it, as in previous false dawns? This underlying question of confidence is the real economic issue both in the election and at Williamsburg.

POLITICS TODAY

The gaps in the manifestoes

By Malcolm Rutherford



THE Conservative Manifesto 1983 reminds one of that mysterious German executive jet aircraft which appeared on the radar screens the other day with no one at the controls, and then flew off over the North Sea. It might have been written on autopilot.

About two thirds of it is a record of what has been done in the past four years. Much of the rest of it consists of policies which had already been announced, plus a few new pledges like the abolition of the GLC and the Metropolitan Councils. If anyone wanted proof that Mrs Thatcher rushed into the election against her earlier judgments, there it is.

Yet there is a much better case for the Government, and a much better case against, than has been put so far. In their introduction to *The Politics of Thatcherism** Stuart Hall and Martin Jacques, both Marxists, observe: "Thatcherism has successfully shifted the terrain, but without solving the problems." Coming from them, that is quite a compliment. It is also a reasonably accurate statement.

The election is being fought largely on Mrs Thatcher's terms, but it may also be asked why the achievements of four years in office have not been greater. That is the question from which the Conservative Manifesto tends to run away.

It ought not to be difficult to conduct a better defence, even if much of it is along familiar lines. First of all, the problems proved to be much more deep-seated than even the Tories foresaw in 1979. There was the almost exponential growth of public expenditure built into the system. It proved much more difficult to halt than the Government predicted.

Then there was the second oil price rise and the world recession, the new competition from the newly industrialised countries and the high exchange rate (again unforeseen) brought about largely by North Sea oil. All these made the chances of economic expansion more remote and quickened the pace of structural change, thereby bringing about yet more unemployment.

Not least, there was the difficulty of getting the government machine, accustomed to the old ways of compromise, to adjust to more radical policies.

None of these problems were entirely the Government's fault. Yet a more radical approach to the manifesto might have been frankly to acknowledge them. At the same time, the manifesto might have admitted that the problems are likely to remain for the foreseeable future. The demands of the welfare state do create difficulties. It might be necessary to find new ways of financing it, apart from putting out the National Health Service laundry to private contract.

It might also have been acknowledged that, even if some economic progress has been made, other countries have not been standing idly by during the recession. They, too, have been seeking to become more competitive.

Instead the manifesto tends to take refuge in rhetoric: "In the last four years, Britain has recovered her confidence and self-respect," as Mrs Thatcher says in her foreword or, as the document begins: "Britain is once more a force to be reckoned with." There is no chapter on economic policy, hardly any reference to the international economic environment.

This is the cautious approach of asking to be taken on trust. If the Conservatives are re-elected, and there is no economic recovery, they will be hard put to explain why. For implicit throughout the manifesto is the assumption that recovery has already begun and will continue. It might not. It might have been better to have warned of possible pitfalls ahead.

The case against the Government could go as follows. First, unemployment. The Director General of the National Economic Development Council summed up the findings of 40 sector committees in March: "Employment has fallen in all the sectors under review . . . None of the committees which have reported foresees an increase in employment in its sector up to the end of the decade; continuing productivity improvements will be needed in order to maintain sectoral competitiveness, and many committees expect further reductions in employment to take place." What is the Government's response?

The Government was relieved by the gain in competitiveness from the depreciation of sterling which set in last autumn. It has since been partly reversed. What is the response to that?

Why are real interest rates still so high, given the continuing sharp fall in the rate of inflation?

Why is manufacturing investment going on declining if there is supposed to be a return of confidence?

What is the evidence that the recovery will be sustained and does not depend largely on restocking and some buoyancy in consumer demand?

In short, the Government has at best slowed down the pace of relative economic decline and done so at a time when Britain has been singularly fortunate in having the revenues from the North Sea. The historical judgment could be that its economic performance was little better than its predecessors, despite the oil. Other countries—perhaps not France, but West Germany and the U.S.—meanwhile went on improving their efficiency and there was no abatement in the competition from the NICs.

No doubt the Conservatives could answer the charge at least as well as the other parties, and probably better. But there is no point in running away from it. The economic outlook is still pretty bleak and the Government has been lucky not to have been more sharply attacked. Many of those who are most aware of the economic weaknesses will still ultimately come down on the Tory side, *faute de mieux*. That is not quite the same thing as a vote of confidence.

The trouble with the Labour Party is that it attacks not with a rapier but with a blunderbuss. True, Mr Michael Foot has removed the personal criticism of Mrs Thatcher from his foreword to what was the Party's campaign document, *The New Hope for Britain*, and is now the manifesto. Instead he concentrates on unemployment.

It is also notable that Labour seems to become more moderate at every press conference. But it is the size and irreversibility of its programme that is the problem. There are some pledges which it is impossible to fudge. At some stage, for instance, a Labour Government would have to bring Britain out of the European Community. There is no commitment to a halfway house, whatever Mr Denis Healey may say.

> It is notable that Labour seems to become more moderate at every press conference. But it is the size and irreversibility of its programme that is the problem

BRITAIN'S ELECTION JUNE 9

Mr Healey, incidentally, gets away with almost anything, even a defence of President Mitterrand's original economic policy. At the Party's opening press conference on Monday, he said that France had succeeded in reducing both inflation and unemployment. The problem was the balance of payments and that was partly because she was a member of the Common Market. "As you know," he added, "she is considering that."

Perhaps he hopes that France and Britain will come out together. In fact, he has a vision of a much looser Community and there is some evidence that that is coming to pass. But it is doubtful now if the Labour Party would wear anything other than a complete withdrawal. Its own credibility is too much at stake.

It is the same with cruise missiles. Barring some quite unexpected breakthrough in the negotiations in Geneva, either they will be deployed in Britain or they will not. Labour's commitment against deployment looks irreversible.

The Party's economic policy looks on the face of it more attractive. There is a great deal to be said for the national economic assessment whereby government, employers and unions sit down together.

It is in the British tradition, being not greatly different in principle from an expanded National Economic Development Council, and in line with similar fora which have worked well in other countries. (The Labour Party at present has an obsession with Austria.) But the fact is that such an approach depends on co-operation from the unions. That pledge has not so far been totally forthcoming, and might not be widely regarded as credible if it had.

Where Labour could still score a few points, however, is in attacking the curious failure of the Tory manifesto to say anything about national economic planning. A national forum—based on the NEDC "because it exists"—used to be one of the favourite ideas of Sir Geoffrey Howe, the Chancellor of the Exchequer. One begins to wonder if Neddy and the various sector working groups are going to disappear.

In the end, however, there are two abiding impressions of the Labour document. One is that the Party is promising to do all it ever wanted to do over the last 30 years and all in one term. There is no order of priorities. The other is a sense of insularity. Labour wants to pull out of practically everything. It could be a very isolated Britain and if the economic outlook is bleak, it would be even bleaker alone.

The surprise of the campaign so far has been the inability of the Alliance to make much headway. A huge batch of opinion polls due tomorrow may show the contrary, but if anything it appears to be going backwards.

One of the problems is that it has fallen into the trap that initially it was most anxious to avoid. It has saddled itself with too much policy detail. Its manifesto contains one of the most radical proposals on offer from any party, the programme for a major overhaul of the welfare system.

For the longer term the Alliance is seeking a complete integration of tax and benefits—a policy once associated with the Conservatives but somehow lost along the way. The approach is costed and explained, yet it is doubtful whether the electorate yet knows much about it. In the manifesto it is buried away between proposals for education and training instead of being the centrepiece that it deserves to be.

That is the trouble with the document in general. It comes out as a policy blur. The Alliance has broken its own rule of not promising too much.

Mr Roy Jenkins still seems to be having a good campaign with most of the best phrases: for instance, quoting General Haig after the battle of the Somme in his reaction to the Conservative manifesto—"casualties intolerable, ground gained negligible, press on regardless." But somehow it is proving difficult for the electorate to identify him with a political party in the big league. It may be that old habits die harder than was thought.

Still, there may be some comfort in the don't knows. One irate Social Democrat telephoned to say that canvassing in the London constituency of Westminster North which I described as a two-horse race in yesterday's FT showed Labour at 17 per cent, the SDP at 22 per cent, the Tories at 24 per cent and the don't knows at 37 per cent. If that were anything like right, anything could happen.

Two footnotes on the campaign so far. Comparisons to other countries, especially other European countries, seem more frequent than ever before. Perhaps we really have become less insular, despite the Labour Party programme, but also less self-confident, despite the Tory manifesto, if it is so necessary continually to look over the shoulder.

Finally, note the tendency among both Labour and Tories to go for each other's extremists. It is almost as if there were a nostalgia between (say) Mr Roy Hattersley and Mr Healey on one side and Mr James Prior and Mr Edward Heath on the other for some lost common ground. There probably is.

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Letters to the Editor

Wages

From Mr J. Lunt

Sir,—Professor Wynne Godley (May 11) is a thinking man, but is he thinking straight? I think not, or perhaps not quite. When he talks of fiscal policy, does he mean the level of total tax, perhaps as per cent of national income, or does he, as perhaps he should, mean the sharing of the tax burden between the investors, who provide the machines and materials, and the workers who use them?

It is indeed the velocity of circulation of money which matters, and that depends upon the level of wages, to be measured as per cent of output, and that is to be governed by the pattern of taxation. Way back in 1965, Harold Wilson, as he then was, introduced his Corporation Tax, and with the very best of intentions too, "squeezing the rich" his very words, and the result was electric and disastrous. It almost closed down the Stock Exchange overnight, and cut private industry right off for ever from its main source of funds. I say for ever because the evil that he then so unwittingly did is still awaiting a wiser Prime Minister to undo.

Wages, which for centuries, ever since before Wat Tyler and right up to Keynes, had been too low are now far too high. High wages and high unemployment will continue until Wynne Godley, or somebody else, persuades Government to accept responsibility for the overall wage level, which will only be brought under control by a suitable flexible tax on wage and on profit, armed with which we may confidently steer our national way into a prosperous future.

James G. Lunt,
2 Tipton Drive, Brownlow Road, Croydon, Surrey.

Rates

From Mr D. Franklin

Sir,—Cllr Jo Sinclair (May 14) writes it is easy for me to say that high rates equate with job losses. Were she to scan the company results section in the FT, she would notice many companies making low profits and many making losses. An additional cost increase of 25 per cent on a year's rate bill can only be met by reducing staff, closing down or moving away from the area.

Many leading companies are leaving inner city high rate areas. There are now 4m sq ft of factories and warehouses lying empty in south London. A recent property report warned councils that they must keep their rates down if they hope to fill the factories and warehouses of which there are 885,946 sq ft in Lambeth.

If multi-purpose recreational facilities were considered ideal for urban environments in the 1960s, so were high rise flats and these are now being pulled down and abandoned. To believe, however, that the people of Lambeth "are longing to use the Brixton recreation centre" is surprising as at last year's council elections 67 per cent did not vote for the views and policies of councillors who are now in office.

If rate increases of 180.55 per cent over five years demonstrate "a firm policy for job creation and financial commitment into that policy," then trade and industry who have no vote and control over these rate rises, will vote with their feet and take their jobs with them."

D. G. Franklin.
121, Kennington Road, SE11.

Taxes

From Mr J. de Rivaz

Sir,—What Mr Brookes (May 13) missed in his analysis of land value tax was that if the price of a commodity such as lamb goes up, then it is open to the consumer to buy less lamb. If a capital tax on an indivisible asset goes up, the option is sell it or pay the tax—there is no way one can adjust one's expenditure according to one's means. As to cigarettes, I would advise him that I am a member of the Non Smokers' Campaign.

Mr Redfearn (same issue) has a point in the problems with income tax and the poverty trap. I still feel that income taxes are preferable to capital taxes. There are, however, two valid alternatives. One is to abolish banding and tax income according to the formula:

$$\text{Tax rate} = \frac{\text{income} + \text{base},}{\text{increment}}$$

subject to an upper limit. The other (which can incorporate the above) is to have an expenditure tax. This is where the whole amount of all capital disposals are taxed as income, but all investments are tax deductible. A whole lot of taxes, including capital "gains" tax, would go to make way for this new tax.

I feel, however, that the Labour Party would dislike the large economic freedom this tax would bring. The Conservatives would dislike the higher taxes that would fall upon rich people who live extravagantly, and the loss of business to the life insurance, mortgage, accountancy and similar industries.

J. de Rivaz.
West Towan House, Porthtowan, Truro, Cornwall.

1984

From Mr C. Chichester

Sir,—May I refer to the article of May 14 entitled: "The Duke of Wellington Banked Here."

It was all about "banking with the top people's banks, the up-market establishments like Coutts, Drummonds and C. Hoare." I quote: "Where you never have to queue for more than a few minutes and where you will have the close and undivided attention of a sympathetic bank manager."

As a former Fleet Street bank clerk I was amazed to find no mention in the article of the most famous private bank: Child and Co, 1, Fleet Street, EC4, where I worked for nearly 42 years, living over the bank for the first 12 years. Childs Bank was established in 1584 (although not at 1, Fleet Street until 1673) before either Coutts, Drummonds or Hoares, and is usually considered to be "the oldest bank."

I have a photograph showing the famous ceremony of the Pearl Sword with Childs Bank in the background and members of the staff, myself and guest included, watching. On such occasion, before the arrival of the Sovereign, Childs Bank exercised its ancient privilege of entertaining the Lord Mayor and Aldermen with suitable alcoholic stimulants.

In the article you go on to say: "It seems almost in bad taste to mention that Coutts is owned by the less-than-exclusive NatWest Bank." It seems in similar bad taste to mention that Childs is owned by the less-than-exclusive William and Glyns Bank!

Nevertheless, despite his extraordinary oversight, please assure your correspondent that business is still flourishing . . . "At the Sign of ye Marygold" by Temple Bar, as this most famous of "the top people's banks" approaches its 400th (or 310th) anniversary next year.

Charles Chichester.
(A Gentleman of Child and Co, 1924-1966).
Rew, Lyme Regis, Dorset.

Markets

From Mr R. Ashworth

Sir,—British companies were for many years in the forefront of technological advances in the surveying instrument field, but where are they now? Over the past decade the industry has been reduced almost to extinction, there being to the best of my knowledge only one firm that produces theodolites or levels.

The theodolite that is produced, is based on a design from the early 1950s, has not kept pace with the improvements and design features which are incorporated in instruments emanating from companies in Europe and Japan. The picture with regard to levels is very much the same; although there is one bearing an illustrious name—but manufactured in Japan!

With regard to the more recent development of electronic distance measuring equipment, again British companies have failed to take advantage of the market that is available. There is equipment available that is British manufactured but it does not compete with Swedish, Swiss, German, Japanese in the lower ranges.

Turning to the less sophisticated items of equipment that are required in surveying, the position is equally bleak. Despite the need to be safety minded there are no British fibre-glass or reinforced plastic levelling staves; these have to be imported from Canada or Japan. Even with ranging rods which are hardly items which require a great deal of technological skill to produce, a large number of the better ones are imported. It is only in the measuring tape field where you can "Buy British" without too much trouble and at competitive prices.

Perhaps somebody somewhere in Britain will realise that if they can produce the goods at the right price there is a market waiting to be recaptured.

I hope that this does arouse some response from industry before it's too late.

R. G. Ashworth.
Newland Park, Normanton, West Yorkshire.

Pensions

From Mr P. Glikin

Sir,—Your report (the obstacles to cash-and-carry pensions, May 14) concerning the inequitable treatment of early leavers of occupational pension schemes is one of many that has been written on this subject in the past few years.

It may be that in the future, reforms will be made which will help employees who may become early leavers, either through choice or because of economic conditions, and who would otherwise lose most of their pension entitlements. However, little reference seems to be made in all these reports to methods of compensating those who have already lost their pension entitlement through change of employment. This loss has been incurred because legislation has denied members of occupational pension schemes the opportunity of making their own personal pension arrangements on the same tax favourable terms as the pension contributions of the self-employed.

Partial compensation could surely be provided by permitting these people (who can clearly prove that they will receive a derisory pension from their past employers) to make a lump sum investment out of their own savings into a tax exempt pension fund, such as that of an insurance company. Since tax has been paid on these savings, it would be reasonable for tax relief also to be granted either out of future earnings or as refunds from previous years tax payments.

I would have thought that such a proposal could be implemented immediately and without great difficulty.

It has the advantage that it does not involve any changes to existing occupational pension plans.

The recent reports of the high rates of interest earned by pension funds underlines the extent of the loss suffered by early leavers.

P. G. Glikin,
58 Whitelodge Close, Christchurch Park, Sutton, Surrey.

Pax

From Mr C. Habib.

Sir,—Why not give the harassed House of Fraser shareholders a rest and instead ask Lonrho's shareholders how they feel about the money and effort being spent by the directors

It would also be interesting to compare the records over the past four years of the two groups in respect of the number of subsidiaries that have been wound down and the resultant number of redundancies with pension right losses, etc. Pension funds might take note when next they vote!

C. N. Habib,
Flat 19, 1 Parkhill Road, NW3.

هكذا من الأصل

David Freud and **Ray Maughan** look at Trafalgar's possible bid for P & O

City braces for another battle

FOR THE third time in five months, the City is bracing itself for an assault on one of Britain's blue riband companies. Peninsular & Oriental Steam Naviga[tion] may soon be joining Thomas Tilling in the front line.

As Tilling grapples with BTR in a £660m bid contest, P&O can only watch and wait with the growing conviction that Trafalgar House is about to sring an offer worth well over £300m on the basis of P. & O's share price yesterday of 216p, a rise of 52p in the last two trading days.

UDS Group, once one of Britain's foremost high street retailers has already succumbed to Hanson Trust for £230m, undermined by a poor profits record.

A Royal Charter, granted in 1840, protects P&O from an overseas raid, but it is as open as any other company to a domestic predator. Trafalger fits the bill. It has already disclosed a near 5 per cent holding in the shipping group and can make a fair case for the industrial logic of an outright bid.

Trafalgar's roots are in property, hotels and construction. Its founder, Nigel Broackes, started out as an estate agent and progressed swiftly into the realms of the quoted property sector. His partner for so many years, Lord Matthews, an opposite both in style and physical presence, began as a builder. Together they forged the Cementation construction and Trollope & Colls building companies and it is these which stand Trafalgar in such financially sound stead today.

P&O made what it considers was its first important move away from shipping nine years ago when it acquired Bovis, a housebuilding, property and construction company.

P&O is still diversifying. The question, which a defence against any Trafalgar offer will be forced to address, is whether the group has diversified far and fast enough and whether it has chosen the right areas.

Lord Inchcape, the chairman of P&O, sets great store by the fact that shipping now represents less than half the group's assets. P&O has expanded fast into the fashionable leisure sector through the hotels and restaurants which complement the cruise liner operations off the West Coast of America. Oil trading in the U.S. is another key area which P&O intends to develop. While Bovis is one more activity which, given continued boardroom autonomy, will be enlarged.

A fleet of 450 vessels a few years ago has been cut to less than 70 ships to reflect these changes. But P&O is vulnerable because of the high cost of financing its nine-ship liquefied natural gas fleet. Four of these ships are comparatively old, small but still profitable. Five others are very much larger and more modern. They make an operating profit, but fail to cover the cost of servicing the debt taken on to finance the fleet.

But the fleet ties up over £100m of P&O's £700m-plus assets and returns nothing. And the overall return on capital employed, of less than 7 per cent, leaves P&O listing badly.

There is no easy way out. The LNG fleet is fully occupied for at least the next three months but the rates which the larger vessels can earn are unlikely to improve much, if at all, in the absence of a sustained pick-up in world demand. Unofficial forecasts of profits of between £38m and £40m this year—with which the board does not disagree—do not look like the foundation for a very substantial defence.

Some of P & O's major institutional shareholders have therefore begun to wonder if the group needs a bid—or at least a change of management—to stimulate the return on their investment.

Lord Inchcape claims, like many other chairmen in the same position, that P & O has already taken the steps which presage strong and sustained growth. But whether the company will be granted the time to deliver on these confident forecasts must now be an open question.

Trafalgar, despite its problems, has a very different reputation in tha City from P&O, largely because of the strength of some of its subsidiaries.

The company is best known to the outside world as the owner of the QE 2, which it built after taking over the Cunard shipping line in 1971. But for all the glamour associated with the liner, Trafalgar's shipping profits have been highly erratic. The company's forays into publishing, when it bought the Express Group and Morgan Grampian, also proved an unprofitable diversion. These interests were floated off in a separate company, Fleet Holdings, early last year.

Yet Trafalgar's salvation is that it is probably the most successful building contractor in the UK, with its subsidiary Cementation still winning orders in a difficult international climate. The most notable coup was the University of Oman contract last year.

Part of the explanation for the success lies in the careful cultivation of relationships with Government and Whitehall—all-important when overseas aid is tied to specific projects.

At home, meanwhile, Trafalgar's Trollope and Colls subsidiary has developed a highly successful business in renovating offices.

Trafalgar's other money spinner has been in property. In 1974 the company took the market by surprise and cut the book value of its assets by more than half. Since the late 1970s, however, and until last year property was a goldmine, with large margins earned on developments.

But in the past 12 months or so, the property market has tightened up considerably, and development margins have been pared. Mr Broakes has responded by declaring that he is running down the property division as a proportion of the total business.

In 1974 the group's net debt totalled £178.5m, nearly three times the figure of £66.3m for equity—a level of gearing that gave the company very little flexibility. That debt has come down and in spite of a series of cash purchases of assets through the later 1970s, debt now stands at around £70m. Thia is only a quarter of the company's assets, so it is now in e position to borrow beavily—if it so chooses—to finance new acquisitions.

Trafalgar House, originally a property company, was developed on more conglomerate lines by Mr Broakes and Mr Victor—now Lord—Matthews in the late 1960s and early 1970s. In the late 1970s Lord Matthews seemed to be tha one in day-to-day control of the group—and it was his enthusiasm which prompted the Express takeover.

Mr Broakes has recently come back into more atcive ontrol and Lord Matthews has effectively switched his attentions to Fleet, becoming non-executive deputy chairman of Trafalgar a few months ago. A bid—if it emerges—will mark a new strategic initiative by Mr Broakes.

At the same time the stock market's view of the company has—once again—been transformed. In 1981 the share price was languishing at 80p; since then it has climbed to a recent peak of 184p. The trigger for the change in sentiment was the demerger of Fleet, which investors regarded as a liability. In its absence the proportion of reliable profits from the quality businesses has grown, and shareholders have put a higher valne on the earnings.

When Trafalgar House bought Cunard it openly admitted that the tax losses of the shipping line were one attraction. P&O's tax losses are more modest—worth perhaps £20m. But P&O's construction interests and its cruise liners could dovetail neatly into Trafalgar's businesses. There may also be attractions in P&O's property and oil trading interests.

Bnt if Trafalgar's sights are set on P&O it may be taking a risk with some of its own shareholders. P&O is involved in some very difficult areas of the shipping business, and the greater involvement here might tip back investors' perception of the overall quality of the company's profits.

NIGEL BROACKES was always dubbed the chubby cheeked tycoon when he was building his property business in tha 60s. Time has hardened his profile but he remains a tycoon—he directs the fortunes of the £400m plus Trafalgar House group—when many one-time property whizz kids have faded from sight. His long standing partner, Lord Matthews, grabbed much of the limelight over recent years, but now that the partnership has split to allow Matthews his head in Fleet Street, Broackes is once again taking the reins fully under his control. He left Stowe at 16, headed first for Lloyd's, the insurance market, and then for estate agency which provided the initial contacts and know how for a career in bricks and mortar. At 48, he still has a lot of scope for future ambition.

IT IS difficult to imagine a man better suited by lineage and training than Lord Inchcape to head such an illustrious old company as P&O. After Eton, Trinity, Cambridge, where he read law, and war service in the 27th Lancers he went east to help forge new trading links between the Orient and a post-colonial Britain and eventually founded the international trading group which bears his name. Lord Inchcape the third Earl came out of a hitherto quiet, non-executive shell at P&O to lead the fight against the ambitious bid by Bovis 11 years ago. He became chairman following in his grandfather's footsteps, will be 66 in December and retires from the chairmanship this summer. Shrewd and experienced, he could prove a formidable opponent.

The Board Games Industry

Snakes, ladders and the challenge from the chip

By Raymond Snoddy

WADDINGTON'S, one of Britain's best-known manufacturers of board games—such as Monopoly and Cluedo—is this week-end rapidly having to learn the rules of a new game of skill and chance for two or more players.

For the company is facing an unsought and probably unwelcome take-over bid from Leeds neighbour Norton and Wright, which specialises in the compiling and printing of lottery tickets.

The bid comes at a time of turmoil for Britain and Europe's traditional toy manufacturers who have, at least for the moment, landed on the Old Kent Road rather than Park Lane.

The problems include:

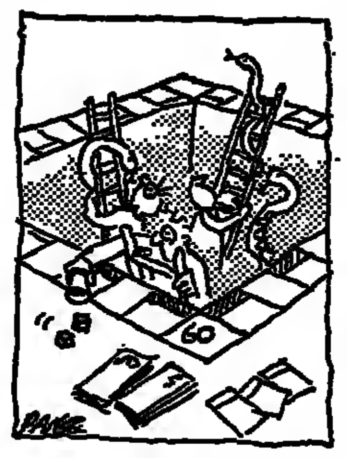
- Electronic and video games have cut a huge swathe through the potential toy market—particularly for 9-12-year-olds.
- Pre-teen children are demanding more "adult" presents.
- Intense competition and the expensive search for novelty have cut deeply into margins.
- Concentration of retail outlets has made low volume and slow-moving games less viable.
- The total toy market in the UK has not expanded in real terms.

Board games have held up better than some other kinds of toys—such as trains or model racing cars—but the picture is still far from rosy. Last year the board game market in Britain was worth an estimated £75m, a fall of 38 per cent in real terms since 1977, according to research by ERC Statistics.

For Waddington Games—which makes board games, cards, painting by numbers sets, puzzles and jigsaws—it meant both a financial loss last year—the company will not say how much—and the loss of 134 jobs. Waddington Games, a division of the John Waddington group, now employs 300 people.

But new games and new hopes are approaching Go all the time. Waddington's latest offer, which went to the shops this week, is Dixit.

"It will be the most popular board game this year," predicts Andrew Lauder, Waddington's managing director, who believes it will help get the games division, which had a turnover of £10m in the year to March, back into profit this year. Dixit combines the skills of making words from colour coded tilas with the strategic skills of a game like Monopoly.



Whether or not its bid succeeds, Norton also believes board games have a bright future. Mr Richard Hanwell, its chief executive, says there is tremendous potential both for traditional board games—given the right overseas marketing—and for promotional games.

The latter are the little cards, sometimes given out with beer, where you scrape away an aluminium foil to reveal a picture which tells you whether you have won a prize.

Norton has recently adapted thet idea to enter the games market proper with Clever Dick—a pack of general knowledge cards where the answer is written beneath an aluminium foil covering.

Norton's UK marketing director, Mr Colin Linn, an educational psychologist with a series of game inventions to his credit and ten years experience with Waddington, maintains that the electronic toy invaders are vulnerable to counter-attacks from traditional games.

Computer and video games often isolate people and ultimately bore them, he says, whereas board games bring families together—and are much cheaper.

But while no-one in the British toy industry believes the board game is likely to become an extinct species, many manufacturers had to listen to some gloomy facts at a recent seminar in London. After a study of tbe European toy industry ERC concluded: "Electronic and video games now have a permanent role in children's recreation and are firmly established as a major new toy sector."

By the end of this year the new electronic toys, ERC believes, will have taken a Pac-Man like bite out of the toy sector and account for nearly 24 per cent of the total.

But electronics may even find their way into traditional board games. An electronic aid is already available to help to cut down the risks of property speculation in Monopoly and a language research student has designed a computer program for playing Scrabble

The traffic is not all one way in favour of the chips. The popularity of some hand-held electronic games seems to be on the wane and board versions of electronic games are springing up.

And new people are still coming into the board games business: Fisher Price, the multinational best known for its toys for young children, has this year entered the UK market through a licensing deal with Ravensburger of West Germany.

Perhaps the most effective testimonial for the future of board games comes from Mr Peter Craig, managing director of Peter Pan Playthings of Peterborough, which makes games such as Othello and Test Match as well as general toys.

Mr Craig and fellow directors this year raised the money to take "a substantial minority stake" in Peter Pan when owners Berwick Timpo went into receivership.

"I don't see any real growth this year on the games side of the business but considerable increase over the next two or three as we win back some of the sales lost to the electronic toys," says Mr Craig.

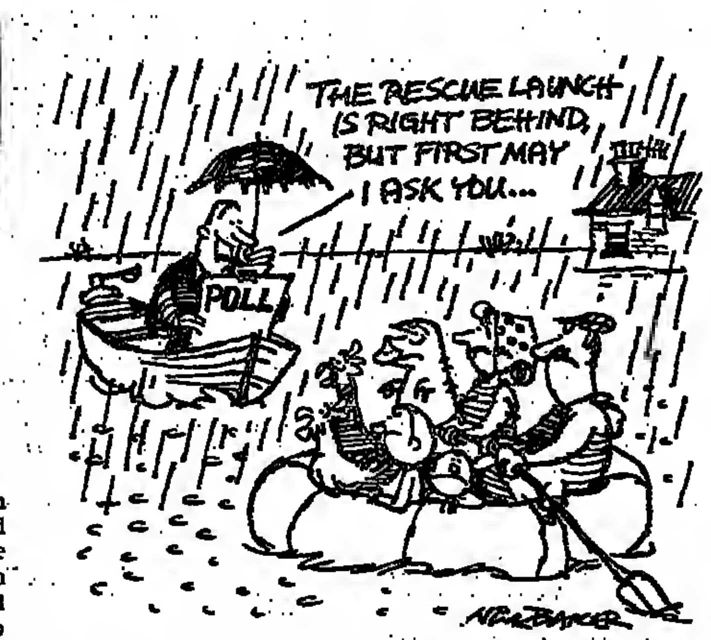
What is certain is that board games have traditionally been a part of family life. Last week Waddington's Mr Lauder advertised in the personal columns of a national newspaper to trace early copies of the company's first card game, Lexicon, issued 50 years ago.

"More than 500 people have telephoned so far," he says—evidence that people treasure games and pass them on to their children.

But whether such sentiments can be translated into profits is another matter altogether.

Weekend Brief

Election pollsters polled



An election wouldn't be an election without the political pollsters telling us what we think. In a general election year the MORIs, NOPs and Gallups of the world, whose job it is to capture the political flavour of the moment, are a potent ingredient in the whole election circus. Do they, for example, create a following for the party they show to be in the lead throughout the election campaign? And how great a part does luck play in the poll or polls that correctly forecasts the election result?

Views on their merits—based as they inevitably are, on "maybes" and "perhaps"—may vary, but that small sector of the market research industry which by doing political polling finds itself making headlines for the few weeks before an election believes in itself.

"I'm a great believer," says John Handley of Harris Research Centre (formerly know as Opinion Research Centre, ORC) "in polls enriching the democratic process. They give the voter another view to help him make his mind up. If there's a bandwagon rolling, he can decide whether to join it."

"We're incredibly accurate," reports Bob Worcester of MORI (Market and Opinion Research International) which by spending 20 per cent of its time in the political field does "more polls for more people than anyone else."

Worcester, who is currently President of the World Association of Public Opinion Research, believes that the average reporting of the polls is very poor. The media are slow to report when we get it right, he says, yet is quick enough to say when we are wrong."

Gallup, which pioneered polling as we know it when brought to this country by Dr George Gallup, an American, in the 1930s, is something of the elder statesman of the group. It agrees with Worcester, but adds a certain degree of luck is necessary. The trick is to ensure by careful questions and scientific sampling "that you're within the margin of error, not outside it."

"I would not claim any enormous value in polls for themselves," says John Barter of NOP. "Their value is that people are interested in them. In 1979 we got it dead right, which was fairly lucky. We'll be lucky if we get it quite so right again. Polling is not a precise thing, but people feel it offers reasonably objective information."

"We take polls very seriously indeed, and so far we've been pretty successful," says Richard Bentley of Audience Selection, the telephone research arm of Andits of Great Britain (AGB). "They reflect the views of the electorate."

A strong case has been made for the accuracy of telephone polls as opposed to face-to-face interviewing by Audience Selection in Campaign magazine this week. Judging from local and by-elections, the argument centres on the fact that from an analysis of "22 polls (seven by phone, 15 by personal interview) in the past two years in Warrington, Crosby, Hillhead, Bermondsey, Darlington and the 1981 GLC election, the telephone polls got the winning party right seven times out of seven; got the rank order of parties right every time; and had a mean error of just 5.8 per cent.

"The 15 personal polls (MORI 5, NOP 6, ORC 3, Gallup 1) got the winning party right in 17 out of 22 cases, the rank order of the parties right in eight and had a mean error of 10.9 per cent."

Asked about their own voting intentions, the pollsters become distinctly prickly. "It's a non-question," was the Gallup spokesman's reply. "It has no bearing on what we do as pollsters."

"Quite wrong for anyone in our business to say which way he was voting," said Audience Selection.

"I can't answer that but it's no secret we do private polling for the Conservative Party," says Harris Research Centre.

"I don't vote, I'm an American citizen," says MORI's Wor[ces]ter.

Rainmakers and rain unmakers

ONE OF the casualties of modern science has been the disappearance of the traditional skills of the local weather forecaster. What chance would he have against the evidence that the TV weather minions can produce from satellite pictures of the world's cloud formations backed by computer technology? It's true that the TV experts are not so hot with longer range forecasts. They cannot claim with the certainty of George, a wise old shepherd, that if the new moon comes in on its back it's a signal of drought but if the crescent is vertical it will pour out.

In pre-war days—before the existence of a phone-in system to the Meteorological Office—this same authority was always consulted before carrying out any farming operations dependent on the weather. Not being on the telephone, the youngest and therefore the cheapest, member of the staff was sent to see him at his home. After all, having been educated he could write down the message.

George wasn't bothered with long-term forecasts. Everyone knew that if the wind was blowing from a rainy quarter at midday on March 21 it would keep on from there for the next three months. And if it was coming from the north east one could be sure of a three-month drought.

One knew, too, that if the oak trees came in leaf before the ash there would only be a splash—that is, a dry summer. But with the ash coming out first there would be a soak. The fact that this year the oak appears to be leafing first is simply the exception that proves tha rule.

For his short-term forecasts, George relied on the traditional "red sky in morning—shepherd's warning," and a complicated formula relating to the wind going round against the sun coupled with hearing the church bells in the town six miles away. In general he was 50 per cent right.

But when it comes to manipulating the weather, we are forced to rely on the divinity in exactly the same way as were the ancients. But modern requests for prayers for an end to rain or drought have been countered by at least one vicar who said it would be pointless to request a change of this sort before the wind itself had changed.

It is also sadly true that most research has been in the direction of rain "making," and not stopping it. It must be remembered that the 1976 drought was ended by a rain-making ceremony among Asian immigrants in Southall. Some eastern peoples, who have tangible gods instead of abstract ones, seek to stop rain by taking the roof off the temples thus exposing the idols to the downpour instead of relying on prayers to make them perform miracles.

Some Indian societies drive out a naked girl carrying a burning brand to face the elements. Her pitiful cries and the flames turn aside the clouds. Other people sacrifice white or red pigs in honour of the sun they wish to see again, and on the same principle slaughter black pigs to call up the thunder clouds. This system has the benefit of providing a feast whichever way it goes.

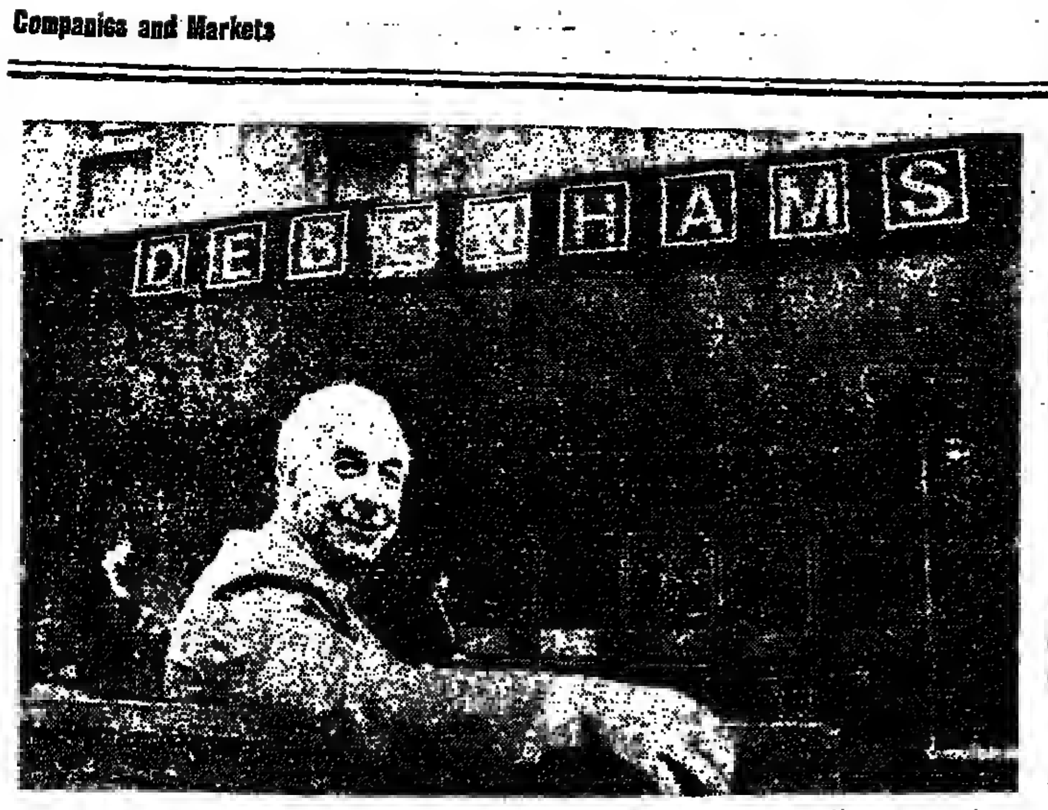
According to the Javanese the only way to ensure a halt in the incessant tropical downpours, say to make sure of fine weather for a party, is for the host and his servants both male and female to abstain from bathing and washing clothes for as long as the dry weather is needed. And it's most essential that throughout the period all should observe the strictest chastity. Perhaps that is what has been lacking now.

Contributors:
Feona McEwan
John Cherrington

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	6.00	6.25	7.25	7.25	1-year high option
				7.25	6 years sixty plus
				6.75	min. £100, 7 d. not. no int. lost
Aid to Thrift	7.00	7.25	—	—	
Alliance	6.00	6.25	7.25	7.25	3 years Money Monthly £1,000 min. Interest paid monthly
Anglia	6.00	6.25	7.25	7.25	3 yrs., 2 mths.' notice/pen.
				7.25	Capital Sh., 1 mth.'s notice/pen.
Birmingham and Bridgwater	6.00	6.25	7.75	7.25	Extra Interest Shares
Bradford and Bingley	5.75	6.25	7.25	7.00	1 m. not. or on dem. (int. pen.)
				7.25	High I. a/c 3 m. not. (no pen.)
Britannia	6.00	6.25	7.25	7.50	Option Bond, 7.25 2 mths.' not.
Cardiff	6.00	7.00	7.75	—	
Cardiff	—	*7.50	—	—	* Share a/c bal. £10,000 & over
Catholic	6.00	6.50	7.50	7.50	6 months' deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.00	2-4 years
Chelsea	6.00	6.25	7.25	7.50	im. wdl. (int. pen.) or 1 m. not.
Chaltenham and Gloucester	6.00	6.25	7.25	—	Gold a/c, £1,000+, no not./pen.
Cheltenham and Gloucester	—	7.25	—	—	Gold Monthly Interest £5,000 min. 7.50 compounded
Citizens Regency	6.00	6.50	8.00	7.50	3 yrs. Double Option shs. 7.40
City of London (The)	6.25	6.60	7.50	8.00	£10,000-£30,000, monthly income, 3 months' notice no penalty
Coventry Economic	6.00	6.25	7.50	7.75	4 yrs., 7.50 3 yrs., 7.25 3 mths.
Derbyshire	6.00	6.25	7.50	6.75-7.35	(3 months' notice)
Greenwich	6.00	6.50	7.75	7.75	2 yrs., 7.50 28-day pen./notice
Guardian	6.00	6.50	—	8.25	6 mth., 7.75 3 mth., £1,000 min.
Halifax	6.00	6.25	7.25	7.25	Extra Interest Plus, 3 months' wdl. notice or loss of interest
Haart of England	6.00	6.25	7.50	7.00	1 mth. not., 7.25 flexi. tm. 3 yr.
Hemel Hempstead	6.00	6.25	7.50	7.75	3 yrs., 7.50 3 months
Hendon	6.50	7.25	—	8.00	6 months, 7.75 3 months
Lambeth	6.00	6.50	7.75	8.00	6 mths., 7.75 28 days, 7.25 3 m.
Leamington Spa	6.10	6.35	6.60	—	
Leeds and Holbeck	6.00	6.25	8.00	7.75	5 yrs., 3 mths.' interest penalty
Leeds Permanent	6.00	6.25	7.25	7.25	HRAS, 7.00 E.I. a/c £500 min.
Leicester	6.00	6.25	7.25	7.25	3 yrs., 7.25 3 months
London Grosvenor	6.00	6.75	8.50	7.25	1 mth.'s notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50	1 m. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.50	3 yrs. (1.25 diff. gntd. thr'out)
Mornington	6.80	7.30	—	—	
National Counties	6.25	6.55	7.55	8.00	28 days, 8.25 6 mths., £500 min.
National and Provincial	6.00	6.25	7.25	7.50	3 yrs., 7.25 2 mths., 7.00 1 mth.
Nationwide	6.00	6.25	7.25	7.25	3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	7.00	7.25	—	7.25-8.25	on share accs., depending on min. balance over 6 months
Northern Rock	6.00	6.25	7.50	7.00	High int. sh. 7.25 Prem. share
Norwich	6.00	6.25	7.50	7.25	3 yrs., 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25	7 days' notice
Peckham	6.75	7.00	—	7.50	2 y., 8.00 3 y., 8.50 4 y., 7.25 Bns.
Portman	6.00	6.25	7.75	7.75	2 mths., 7.25 Flexi-Plus
Portsmouth	6.35	6.55	8.05	8.40	5 yrs., 8.00 6 mths., 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25	4 yrs., 7.75 28 days
Scarborough	6.00	6.25	7.50	7.25	Money Care + free life ins.
Skipton	6.00	6.25	7.50	7.00-7.15	(1 mth.), 7.25 3 yrs.
Stroud	6.15	6.25	7.50	7.85	3 mths., 7.25 1 m. (no penalty)
Sussex County	6.15	6.40	8.15	6.90-7.90	all with withdrawal option
Sussex Mutual	6.25	6.50	8.00	6.75-8.00	
Thrift	6.15	7.15	—	9.15	5 yrs. term. [illegible] accnts. avail.
Town and Country	6.00	6.25	7.50	7.75	3 yrs., 60 days' wdl. notice
				7.50	imm. wdl. 28 days' interest loss
Wessex	6.25	7.30	—	—	
Woolwich	6.00	6.25	7.25	7.25	90 days (int. loss)
				7.25	Special Interest Shares 90 days' not. or imm. wdl. with 90 days' interest loss (min. £500)
				7.00	immed. wdl. 28 days' int. loss
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25	7.25	5 Star Bond min. £500, 2 mths.' not. with pen., 7.25 Golden key imm. wdl. 28 days' pen. interest

All these rates are after basic rate tax liability has been settled on behalf of the investor.



Looking to the current year with confidence. Mr R. M. Thornton, chairman of Debenhams.

Debenhams' cost cutting shows through as trading profits rise

THE attack on operating costs is beginning to produce "encouraging" results at Debenhams and is reflected in the group trading profit which improved from £13.1m to £20.9m in the 52 weeks to January 29 1983. The directors point out that this improvement was achieved against a background of what was, for the most part, a difficult year for retailing.

Actions started in 1981 to reduce and contain its cost base, were continued during 1982. The effect, while retaining price competitiveness in the high street, was to increase margins, say the directors.

Pre-tax profits of this retail distributor—it operates 68 departmental stores and has interests in footwear manufacture and management of retail property—fell from £27m to £19.6m. This was after interest charges of £5.5m (£5m), profit on the sale of properties amounting to £7.4m (£23m) and non-trading charges, including redundancy and closure costs, totalling £3.7m (£9.1m).

Turnover was up from £654m to £676.5m, including VAT of £53.9m (£62.1m).

The final dividend is raised 10 per cent from 4.32443p to 4.76p net for a total of 6.501p (6.3656p).

In announcing the increased dividend, the directors say they consider that the company is in an increasingly strong position to take advantage of the improving trend which is now apparent in the high street, and they view the current year with confidence.

They say the company continues to develop customer loyalty through the effective marketing of in-house credit, and its major investment in Welbeck Finance is being rewarded by the substantial progress of that company, which recently announced record results.

Debenhams has continued its policy of upgrading its trading property portfolio; during the year major extensions to the stores in Chester and Middlesbrough were opened, and work is well advanced on a new store in Cambridge and on the first phase of the major redevelopment of the Croydon store, both of which will open during 1983.

During the year, the company closed its high street footwear shops and departmental stores in Birmingham and Leamington Spa.

It has continued to review critically its less productive non-trading properties, and in view of the significant holding costs sold the majority of these properties shortly before the year-end for a total consideration of £8.1m, as mentioned. The purchaser was a development company in which Debenhams has a minority interest.

Year-end tax was up from £3.9m to £4.3m, and after minorities this time of £600,000 and preference dividends £100,000 (same), attributable profits emerged £4.4m lower at £14.6m. Dividends absorb £9.1m compared with £8.5m, leaving retained profits down from £10.5m to £5.5m.

Stated earnings per 25p share were 10.9p (17.2p) and down from 13.4p to 12p on a nil distribution basis.

See Lex

Suter plunges £1.26m into the red

IN 1982, hairdressing, refrigeration and air-conditioning equipment maker Suter incurred taxable losses of £1.26m. This was made up of profits on continuing business of £73,000 and losses of £1.33m by Prestcold Refrigeration Company (PRC), the commercial refrigeration subsidiary, which was sold in March 1983. Turnover amounted to £58.17m.

In the previous 19 months Suter made pre-tax profits of £574,000, on turnover of £45.08m.

Despite stated losses per 5p share of 13.3p against earnings of 2.86p for the previous 19 months, the final dividend is being set at 1.25p (1p) making a total of 1.75p (1.5p). The directors say this is because the financial results of the first four months of the current year are encouraging.

They say the elimination of the loss-making contracting business, the improved business climate and the favourable impact of lower sterling exchange rates on the company's very substantial exports, allied to lower borrowings and reduced interest rates, gives them confidence for the future.

This is reflected in negotiations for the purchase of the air conditioning, refrigeration and air side heat exchanger business of Delts RA from the Delta Group.

In the year under review, the directors say after an encouraging first quarter when sales rose substantially, the commercial refrigeration market on which Suter primarily depends, went into decline. This led to substantial price cutting in the industry and to contracts being taken at uneconomic levels in PRC.

Associates contributed £842,000 (£564,000) and interest charges took £1.61m (£851,000) of which £143,000 related to PRC. Tax was £542,000 (£341,000), leaving net losses of £1.8m (profits £232,000). Minorities came to £1,000 (same) and after extraordinary debits of £959,000 (£32,000) the attributable losses emerged at £2.76m (profits £200,000).

The extraordinary debits were made up of £1.08m for the cost of withdrawal from refrigeration contracting less profits on the translation of overseas balance sheets.

● comment

The asset discount at which Suter acquired Prestcold two years ago has insulated the balance sheet against the draughts of the ensuing shambles. Suter has a little over £10m of shareholders' funds after the hefty write-offs and £4.1m of convertible with which to support some £6.8m of debt. Thus the dividend is maintained, in an effort to underscore the group's confidence, and the Delta deal is being struck for something in the region of £1m. That should help load the manufacturing operations but Suter is in large part a wholesaling business, now that the contracting side has gone, for which it is difficult to make projections very far ahead. The best that might be said this year is that sales are usefully ahead and gross margins do appear to be widening. Unchanged at 37p, the shares appear to have been braced for the atrocious results and could even start to move forward if Suter still sounds bullish come the interim. For the moment, though, the 7 per cent yield is just about the only prop.

Courtaulds expands and seeks £71m

REFLECTING a £12.2m improvement in pre-tax profits to £63.3m for the year ended March 31 1983, Courtaulds is lifting its dividend from 3p to 3.25p net, with a final of 2.25p. The company is also proposing to raise some £71m gross by a rights issue.

Shareholders registered May 12 are offered 91.05m shares on a one-for-three basis at 78p each, payable in full on acceptance not later than June 15. The directors believe that the group has been built into an undertaking capable of producing improved profitability in the years ahead, and the proceeds and the resultant expanded capital base will put the group in a strong position to take advantage of opportunities for profitable growth.

The achievement and consolidation of an improvement in profitability will require increased investment in both established and new activities.

Mr Christopher Hogg, the chairman, says of the financial results that a greater improvement was expected. In the event, he explains, the recovery anticipated for the UK did not materialise and with only one or two exceptions all the overseas economies most important to the group's trading went deeper into recession.

Towards the end of 1982 business in the UK picked up a little and sterling began a bout of weakness relative to other currencies. Those two factors and the widespread measures throughout the group to achieve better performance, led to the increase in profits.

All three textile product groups achieved increases in profits—fibres and yarns significantly so. Earnings from packaging and plastics were appreciably better than last year, but the depth of the shipping recession checked International Paint's long period of uninterrupted profits growth.

In the 1982-83 year external sales of the group advanced from £1.79bn to £1.91bn. UK customers accounted for £870.1m (£816m), exports from the UK, including inter-group £373.1m (£351.9m), and overseas companies £711.6m (£645.4m).

Trading profit rose from £69.6m to £81.3m, with the UK showing a pick up from £18.5m to £35.5m and overseas a decline from £51.1m to £45.8m. Associated companies contributed £4.2m (£3.5m) and interest payable net of investment income came to £22.2m (£22m).

A divisional split of the trading profit shows fibres and yarns £35m (£25m), fabrics £5m (£4m), consumer products £14m (£12m), International Paint £23m (£36m), BCL £8m (£5m), National Plastics £3m (£1m), miscellaneous loss £7m (£3m).

Net profit attributable to Courtaulds fell from £17.9m to £3.3m, after an unchanged tax charge of £21.4m, minorities of £10.4m (£10.8m), and extraordinary charges totalling £28.2m (£5m, before deferred tax release £4m). Before such items, earnings are shown at 11.49p (6.88p) per share.

The extraordinary items are made up of a charge of £32.1m (£24.2m) in respect of further costs associated with the restructuring of the group, reduced by profits of £3.9m (£19.2m) arising from the disposal of surplus assets.

There was cash flow during the year of £10m. Expenditure on fixed assets totalled £87m (£84m) of which £5m was financed by leasing. Net debt declined from £134m to £125m and the ratio of net debt to equity improved slightly to 23:77.

Mr Hogg says the process of adjustment towards an efficient and viable cost base involves drastic rationalisation of production capacity. Since March 1980, this rationalisation has involved a 39 per cent fall in numbers in the UK and resulted in a significant reduction in shareholders' funds.

Yet, despite the considerable costs associated with continuing restructuring, "rigorous concentration" on cash management has enabled the group to improve the ratio of net debt to equity.

Three years ago the chairman referred to the main objectives that had been set for the group, viz: to concentrate resources on the best businesses; to achieve better returns on the textile side; and to expand in the rest of the group.

He tells shareholders now that "in the three turbulent years since then we have moved steadily towards these objectives, though much of course remains to be done."

Mr Hogg is encouraged by the better results which have been achieved, particularly in the UK, in each of the past two years. It is too soon to say with confidence that all the group's textile businesses are now viable and should be able to achieve rising earnings in the years ahead, but the position is "a very great deal better" than it was three years ago.

In the rest of the business (paint, packaging, plastics and chemicals) "we have opened up many opportunities since 1980 and are continuing to do so." Investment has continued on the textile side and also at an increasing rate in the rest of the activities. Two more general aims have also been followed, namely to broaden the scope of activities in growth areas outside textiles, and to achieve a more balanced spread of operations geographically.

The rights issue has been underwritten by Hill Samuel and Morgan Grenfell. Brokers are W. Greenwell. The new shares will not rank for the final dividend now being recommended. Fractions will be sold for the benefit of the company. Application has been made for the new shares to be admitted to the Official List and dealings (nil paid) are expected to start on May 24.

Figures for International Paint are given separately as it is quoted. The company is recommending an unchanged final dividend of 3p to maintain the total at 5p for the year ended March 31 1983.

Sales rose from £338.4m to £356.5m but the profit before tax declined from £29.9m to £24.6m. Net profit attributable came out at £13.3m (£17.3m) after tax £6m (£10.2m), minorities £3.2m (same) and extraordinary debits £2.1m (credits £0.8m). Before such items earnings are stated to be 20.9p (23.4p) per share.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Courtaulds	2.25	Aug 1	2	3.25	3
Debenhams	4.76	Oct 1	4.32	6.5	6.37
A. Goldberg	3.96	July 2	3.96	5.25	5.25
International Paint	3	Aug 8	3	5	5
MAM ...int	2.8‡	July 18	2.8	—	8.75
McInerney Props	3.5¶	—	2.75	4.5	2.75
Suter	1.25	—	1§	1.75	1.5§
TR Natural Resources	3.53	July 1	3.5	7	6.35
Western Selection ...int	1	Oct 1	1	—	2.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For 19 months. ¶ Irish pence throughout. ‖ Pending agreement at EGM.

A Goldberg profit up to £1.7m

SECOND HALF profit from A. Goldberg and Sons, the Scottish department store operator, rose by £163,000 to £1.51m.

This gave a total of £1.73m for the year ended March 26 1983, compared with £1.45m previously, after a much higher charge for interest on bank borrowings — £1.39m, against £486,000.

The dividend is held at 5.25p net per 25p share, with a final of 3.956p. Earnings are shown to be up from 5.35p to 6.87p.

Mr M. Goldberg, chairman, says retailing activities continue to be adversely affected by current economic conditions and further increases in occupancy costs. He is, however, encouraged by significant progress in the recently opened regional stores, a highly satisfactory performance at the new Kirkcaldy location and the first contribution to profits from the new format fashion store in Blackpool.

Wrygges, the young fashion business, continues to trade well. Style Finance, the financial services subsidiary, has made, as expected, a major contribution to turnover and profits in its first full year of trading.

In addition to expenditure in Kirkaldy and the costs of upgrading customer facilities in Glasgow department store, the capital programme included the outfitting of a new distribution centre at Monklands which came into full operation, on schedule, in January.

Mr Goldberg remains confident that with a continued and further drive on productivity, and controlled but aggressive investment in the future, the company will be able to maintain steady growth.

Turnover for the year came to £36.94m, a rise of £4.25m. After tax £544,000 (£540,000), the net profit was £1.17m, compared with £911,000. The dividend again absorbs £897,000, and £276,000 (£14,000) is retained.

Western Selection down midway

A FALL of £75,000 to £233,000 in pre-tax profits is reported by Western Selection, for the half-year to March 31 1983. The directors say the consolidated pre-tax profit is lower principally because trading margins in the telecommunications cable and wire industry have been severely squeezed. This has been caused by rising input costs without a commensurate increase in selling prices.

They add that in the UK, demand at realistic prices was disappointing and in some areas imports of cable took a larger proportion of available business. During the period, increased overseas sales were achieved which alleviated this position.

Group turnover was down from a re-stated £3.68m to £2.92m. The pre-tax figure was after depreciation little changed at £74,000 (£72,000) and interest charges up from £3,000 to £8,000, but included dividends and interest receivable of £64,000 (£111,000). Profit on the sale of investments realised £79,000 against £51,000, and the provision released on investment portfolios was £47,000 this time.

There was a tax charge of £70,000 compared with £108,000. The interim dividend is unchanged at 1p net—last year's total was 3.5p from pre-tax profits of £601,000 (£285,000). Stated earnings per 20p share are down from 3.01p to 1.64p.

Looking ahead, the directors say the outlook for the company's main telecommunications subsidiary, Duratube and Wire, depends for the rest of the year on the maintenance and improvement in the current margins on UK business. There are signs of an improvement in demand, and in normal times the company would expect this to lead to an improvement in trading margins.

They say that provided the stock market remains buoyant, and a rising level of profits and distributions starts to flow from industry, it is hoped that the second six month will show an improvement on the first.

Dividends and interest received were lower than in the previous six months because of reduced distribution from associates. The strength of the stock market throughout the period produced both substantially higher profits and unrealised surpluses over cost.

Market value of listed investments, excluding shares of associated companies, held as long-term assets was £1.62m compared with a cost of £1.42m and with £1.43m at September 30 1982.

MAM falls marginally to £954,000

LOWER PROFITS, as forecast at the time of the annual statement, are reported by Management Agency and Music for the six months to January 31 1983. The pre-tax figure dropped from £1.02m to £954,000, though turnover improved from £12.76m to £14.78m.

In observing the statutory requirements where an interim dividend recommendation follows an auditors' qualification to the last annual accounts, the directors have convened an extraordinary meeting for June 14 to allow the auditors to submit in writing their opinion on whether the distribution can proceed.

In the meantime, an unchanged interim dividend of 2.8p net has been announced.

Group tax for the first half was down from £532,000 to £496,000. Stated earnings per 10p share were lower at 6.03p compared with 6.53p.

Bambers Stores forecasts losses for first six months

THE ENCOURAGING signs apparent in the first few weeks of Bambers Stores current year have not been sustained, Mr L. Vernon, chairman, told shareholders at the annual meeting.

Although trading conditions continued to be difficult and he expected the group would make a loss at the interim stage, this would be considerably less than the same period last year.

Other annual meetings included:

C. D. Bramall: Mr D. C. A. Bramall, chairman, said management accounts at end of April showed an increase over same period for last year. Provided this trend continued and there were no unforeseen circumstances, he believed the outcome of the year would be satisfactory, and would allow the directors to be more generous when considering the year's dividend.

Metalrax Group: John Wardle, chairman, said: "Our first quarter's performance is in fact a little better than budget, and reinforces my earlier statement that we are on target and will make a tangible improvement in profitability at the year end."

Supra Group: Mr R. C. Neal, chairman, said current trading was ahead of last year. The buoyant state of the motor industry was reflected in Supra's supply of original equipment, and the group was extremely busy.

London Brick: Mr Jeremy Rowe, chairman, said the group's financial position was strong and it was experiencing buoyant demand for its products and services.

Bridon: Mr Jack Laird, chairman, said no improvement in the U.S. or Canada had been reflected in the group's order books. The drastic downturn in those economies badly affected results of this wire and wire rope maker in 1983.

Results due next week

WHILE Sainsbury has been going from strength-to-strength over the last five years, **Boots** has been sitting on a profits plateau from which it seems incapable of taking off. Retail profits were disappointing at the interim stage, but Christmas sales went well in the UK. In Canada, however, Boots is not expected to have improved much on the first half when it lost £2m. Boots is gradually trying to narrow down the number of product lines and specialise in specific areas but still has a lot to do to revitalise itself in the high street against the likes of Superdrug. Boots made £124.7m pre-tax last year, including asset disposals, and is expected on Wednesday to announce profits of around £128m in the year to March 31.

Sainsbury, Britain's biggest grocery retailer is selling on a multiple of over 20, more typical of a glamour electrical stock and a reflection of its dramatic growth record over the last few years. The company has long ago prepared the market to expect more modest growth this year, however, with food price inflation well down, and competition from the likes of Tesco and Safeway increasing. It made £83.4m pre-tax last year, and on a comparable basis is expected on Tuesday to announce around £97m, up 16 per cent. It is continuing to open stores and is slowly moving northwards from its traditional base in the south.

The bakery majors with very divergent growth records report results next week. **Associated British Foods** is expected to announce on Monday its fifth successive year of pre-tax profits improvement with about £146m for the year to March 1983 the centre of the range of estimates. Last time around ABF turned in £143m pre-tax. In its effort to keep up the pressure on the competition ABF has refrained from instituting a price increase on hard flour.

This will have been a disappointment to **Ranks Hovis McDougall,** whose interim figures to early March are due on Tuesday. RHM has had to engage in belated rationalisation at its bakeries, and this is thought to have led to lighter losses from that business.

So analysts are looking to RHM to produce interim pre-tax profits of between £23m and £25m, improving on the comparative period's £21m. RHM may be a yield stock, but no one expects a dividend hike at this stage. But a rise in the total net payout to 4p net might be on for the year as a whole, for which RHM could produce about £42m pre-tax. As for ABF, Mr Weston is not renowned for his generosity, but most expect that the net payout will be lifted to at least 4.5p.

ICL's major cost-cutting exercise, the most important element of which was the reduction of the workforce by a third, was not fully implemented until the second half of 1982. This is the main reason why the group is likely to report a turnround from interim pre-tax losses of £13.1m to profits of around £10m when it announces results for the six months to March 31 on Tuesday. Sales, however, should increase only modestly, since the company is unwilling to let margins slip in order to win extra turnover. Traditionally, ICL performs better towards the end of the year, so analysts are predicting a total pre-tax outcome of around £50m, against £23.7m in 1982.

With most of the running being made by the telecommunications side, **Plessey** looks set to announce a 25 per cent advance in pre-tax profits to £140m when it publishes its results for the year to March 31 on Thursday. That assumes a loss of around £5m from the newly acquired Stromberg-Carlson public telephone exchange business in the U.S., reflecting heavy development spending on digital exchange production. On the defence side, Plessey has benefited from the growing popularity of its AR3D radar systems and its contract to supply the Australian army with tactical radio systems. The rate of increase in the dividend is likely to be slightly below that of profits because the group has said it is keen to improve its cover. That indicates a total of perhaps 10p net against last year's 8.6p.

Other results due next week include interim figures from the **M & G Group** on Tuesday, and those of **Bass** on the following day. Also on Wednesday, **Phoenix Assurance** will be reporting its first-quarter figures.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Allied Irish Banks	Wednesday	3.5	5.01	4.5
Allied Leather Industries	Thursday	1.75	3.75	1.75
Associated British Foods	Monday	1.4	2.9	1.5
Boots	Wednesday	2.875	5.625	3.5
Cakebread Robey	Monday	0.6	2.1	0.6
Capital and Counties	Wednesday	1.2	2.6	1.2
Channel Tunnel Investments	Wednesday	—	—	—
Deritend Stamping	Thursday	2.2	5.3	2.2
Fidelity Radio	Thursday	—	0.1	—
Fine Art Developments	Thursday	1.1	1.9	1.1
Foster Brothers Clothing	Wednesday	1.1	2.25	1.1
Gates (Frank G.)	Monday	—	2.5	—
Hicking Pentecost	Friday	2.0	2.0	2.0
Hill (Philip) Investment Trust	Thursday	2.0	4.95	2.0
Jantar	Wednesday	—	1.5	—
Lanca	Tuesday	—	2.4	—
London and Northern Group	Wednesday	1.4	2.35	1.5
London Sumatra Plantations	Thursday	2.0	8.0	2.0
Macdonald Martin Distilleries	Friday	3.0	8.5	3.0
Merrydown Wine	Wednesday	—	3.0	—
M & G Second Dual Trust	Wednesday	4.3	3.58	4.35
Minster Assets	Wednesday	1.7	2.8	1.7
Modern Engineers of Bristol (Holdings)	Thursday	1.0	1.0	—
Monks Investment Trust	Wednesday	1.1	1.3	1.1
Moss Bros.	Thursday	0.7	1.5	1.05
Nineteen Twenty-Eight Investment Trust	Friday	2.0	2.75	2.0
Parkland Textile (Holdings)	Tuesday	1.6	2.1	1.6
Plessey	Thursday	3.542	5.073	4.073
Portsmouth & Sunderland Newspapers	Thursday	1.0	2.5	1.0
Sainsbury (J.)	Tuesday	1.625	3.25	1.3
Sandhurst Marketing	Wednesday	0.56	1.1333	0.64
Southwest Resources	Monday	—	—	—
TR Property Investment Trust	Tuesday	1.5	1.55	1.1
Wettern Brothers	Wednesday	—	—	—
Young and Co's Brewery	Thursday	3.0	4.0	2.0

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
INTERIM DIVIDENDS				
Archimedes Investment Trust	Tuesday	3.7	4.7	
Avon Rubber	Wednesday	1.0	—	
Bass	Wednesday	2.68	7.65	
Brockhouse	Thursday	—	0.1	
Concentric	Monday	1.21	2.1	
Cosalt	Monday	1.5	2.0	
Devenish (J. A.)	Wednesday	2.25	7.25	
General Stockholders Investment Trust	Wednesday	1.75	2.45	
Greenall Whitley	Thursday	1.7083	1.9854	
Hardanger Properties	Tuesday	2.5	7.0	
ICL	Tuesday	—	0.1	
International Thomson Organisation	Wednesday	5.775	8.0751	
Kelsey Industries	Wednesday	2.5	5.5	
Lesco (William)	Friday	—	1.0	
M & G Group	Thursday	6.0	9.0	
Moran Tea Holdings	Friday	1.0	—	
Morland	Wednesday	1.5	3.5	
Northern American Trust	Tuesday	1.4	4.0	
North British Steel Group (Holdings)	Friday	0.71	1.49	
Pyke Holdings	Monday	—	2.5	
Ranks Hovis McDougall	Tuesday	1.524	2.333	
Richards	Thursday	0.3	0.3	
RHP Group	Thursday	2.0	2.0	
Scottish Investment Trust	Thursday	1.7	3.0	
Scottish National Trust	Tuesday	1.15	2.5	
Stakis	Tuesday	0.6	1.26	
Stockholders Investment Trust	Thursday	1.75	2.1	
INTERIM FIGURES				
Gamma Holdings	Friday			
Phoenix Assurance	Wednesday‡			
Pict Petroleum	Friday			
Spencer Clark Metal Industries	Thursday			

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † Includes a: dividend of 2.6278p in respect of 1975. ‡ First quarter figures.

RESULTS AND ACCOUNTS IN BRIEF

CAMBRIAN & GENERAL SECURITIES—Net asset value per 25p ordinary share 58.54p (42.49p) on March 31 1983 and net asset value per capital 7½p share 41.3p (8.65p). Gross income for six months to that date £343,523 (£272,244). Debenture interest nil (£7561), bank and loan interest £45,130 (£38,637), administration expenses £151,882 (£55,420), and directors fees £8,062 (£7,725). Pre-tax revenue £134,449 (£176,246). Tax £58,908 (£57,930). Net revenue £85,541 (£118,316). Net interim dividend 0.25p.

LONDON AND LENNOX INVESTMENT TRUST—For year to March 31 1983: final dividend 1.4p making 2p (same); gross revenue £833,000 (£805,000); pre-tax revenue £629,000 (£634,000); tax £224,000 (£221,000); stated earnings per share 2.28p (2.25p); net asset value per share 86p (59.4p). Directors point out that a material change in company's net asset value has taken place since the year end following the flotation of Talerate.

POLYMARK INTERNATIONAL (supplier of machinery to laundries and garment manufacturers)—Results for 1982 and prospects reported April 27. Group shareholders' funds £5.21m (£5.8m). Fixed assets £3.05m (£3.43m). Net current assets £3.04m (£1.32m, liabilities), including bank loans and overdrafts £2.97m (£5.41m). Increase in working capital £3.36m (£2.8m decrease). Compensation to former director £62,713. Meeting: Jeddo Road, Shepherds Bush, W, June 16, 3 pm.

T. C. HARRISON (Ford main dealer)—Results for 1982 with prospects reported April 15, 1983. Group fixed assets £12.99m (£10.56m). Net current assets £9.44m (£10.39m). Shareholders' funds £22.4m (£20.93m). Increase in working capital £1.59m (£1.41m decrease). Liquid funds decreased £2.09m (£3.61m increase). Meeting, Sheffield, June 9, 2 pm.

GASKELL BROADLOOM—Results for 1982 already known. Group shareholders' funds £5.6m (£5.33m). Fixed assets £3.11m (£3.23m). Net current assets £3.73m (£3.85m). Increase in net liquid funds £169,000 (£1.09m decrease). Ex-gratia payment to former director £25,000 (nil). Meeting: Blackburn, June 10, noon.

SPEAR AND JACKSON INTERNATIONAL (maker of saws and hand, garden and engineering tools)—Results for 1982 reported May 12, 1983. Group fixed assets £7.38m (£7.28m); net current assets £5.59m (£6.67m); shareholders' funds £9.47m (£10.84m). Net outflow of funds £1.02m (£1.44m inflow). Decrease in working capital £23,000 (£168,000 increase). Chairman says there are now signs of increased activity both in the UK and the U.S. and the group is in a better position than in recent years to take advantage of any upturn in trade. Meeting: Chartered Accountants' Hall, EC, June 16, 11.30 am.

HAROLD PERRY MOTORS (Ford main dealer)—Results for 1982 and prospects reported April 22, 1983. Group fixed assets £16.48m (£15.7m); net current assets £4.55m (£5.79m); shareholders' funds £22.65m (£21.14m). Chairman says that looking cautiously at the prospects for improvement in profits from the group's diverse trading activities, he believes some modest optimism is justified. Meeting: Royal Automobile Club, SW, June 8, noon.

OFFICE AND ELECTRONIC MACHINES (typewriter and word processor distributor)—Results for 1982 reported on April 29 1983. Shareholders' funds £12.59m (£11.77m); fixed assets £1.07m (£936,562); net current assets £12.34m (£11.82m); decrease in working capital £490,567 (£733,229 increase). Chairman says the early months of 1983 have shown an indication of an upturn in demand, though it is far from certain, that this will be maintained. Meeting: 140-154 Borough High Street, SE, on June 7 at noon.

BLOCKLEYS (building products manufacturer)—Results for 1982 reported April 19. Shareholders' funds £3.35m (£3.22m); fixed assets £1.69m (£1.77m); net current assets £1.84m (£1.67m) including amount due to bankers £261,143 (£117,239); increase in working capital £442,273 (£249,235) including increase in bank borrowings £243,254 (£253,314). Chairman says there is many indications of some improvement in trading conditions and the level of orders for 1983 is very much higher than at this time last year. Meeting: Telford, June 8 at noon.

LONDON AND CONTINENTAL ADVERTISING HOLDINGS (advertising contractor)—Results for 1982 and prospects of this USM company reported April 19. Shareholders' funds £1.67m (£1.73m). Fixed assets £601,540 (£528,336); net current assets £322,104 (liabilities £533,555): inflow of funds £853,102 (outflow £96,287). Meeting: Savoy Hotel, WC, on June 9 at noon.

R. SMALLSHAW (KNITWEAR)—Results for the 15 months to December 31, 1982, reported April 22. Group shareholders' funds £1.62m (£1.71m at September 30, 1981). Fixed assets £1.02m (£0.91m). Net current assets £800,000 (£797,000). Increase in working capital £8,112 (£29,790). Chairman says sales in the first half of the current year are not expected to reach the level of those for the corresponding period and profits will be lower. The second half, however, should see some improvement. Meeting, Hinckley, Leic., on June 3, at noon.

DREAMLAND ELECTRICAL APPLIANCES (electric blanket manufacturer)—Results for 1982, with prospects reported April 8 1983. Group shareholders' funds £4.11m (£4.28m). Fixed assets £1.37m (£2.11m). Net current assets £2.13m (£2.18m). Bank overdraft-secured £1.63m (£2.3m). Working capital increased £10,452 (£433,513 decrease). Meeting, Howard Hotel, WC, June 8, noon.

SCOTTISH TELEVISION—Results for 1982 reported April 16 1983. Shareholders' funds £14.67m (£13.04m). Fixed assets £12.43m (£10.33m). Net current assets £2.19m (£2.11m). Working capital increased £2.32m (£0.8m decrease). Cash and bank balances decreased £1.43m (£1.14m increase). Meeting, Glasgow, June 3, noon.

CURRYS (electrical appliance retailer)—Results for year to January 29 1983 and prospects reported April 13. Group fixed assets £68.94m (£50.14m). Net current assets £16m (£24.29m). Shareholders' funds £75.54m (£68.33m). Decrease in net liquid funds £18.39m (£10.07m). Capital commitments £5.8m (£4m). Meeting, Ealing, June 6, 12.30 pm.

DAVIES & NEWMAN HOLDINGS (airline operator, shipbroker and shipping agent)—Results for 1982 reported April 29 1983. Group fixed assets £2.36m (£3.44m). Fleet assets £24.17m (£26.92m). Net current assets £4.44m (£1.77m). Shareholders' funds £13.41m (£16.35m). Meeting, Great Eastern Hotel, EC, June 2, noon.

BOWTHORPE HOLDINGS (electronic components)—Results for year to December 31, 1982 reported on April 13, 1983. Shareholders' funds £45.12m (£30.31m); fixed assets £16.46m (£15.43m); current assets £52.72m (£37.15m), including cash at bank and in hand £12.99m (£5.27m); current liabilities £20.08m (£15.52m); net current assets £32.63m (£21.63m). Meeting: Crawley, West Sussex, June 7, at 3 pm.

HUNTLEIGH GROUP (engineering and electronics)—Results for 1982 reported on April 14, 1983. Shareholders' funds £8.49m (£8.09m); Fixed assets £4.89m (£4.64m); current assets £10.37m (£10.1m) including debtors £5.18m (£5.09m) and bank and cash balances £352,000 (£526,000); current liabilities £5.6m (£5.4m) including bank overdrafts £1.65m (£1.44m), net current assets £4.77m (£4.7m). Chairman says expansion of the group's business is reflected in the increase in turnover in 1982. The trend continues in 1983, and this fact together with actions already taken, augurs well for the future. Meeting, Howard Hotel, Strand, WC, June 8, at noon.

BRUNTONS (MUSSELBURGH)—Results for 1982 and current year prospects reported April 7. Group shareholders' funds £7.63m (£7.84m). Fixed assets £3.25m (£2.76m). Net current assets £4.38m (£4.78m). Decrease in working capital £212,000 (£37,000). Meeting: Musselburgh, June 3, noon.

Mercantile & General Re-insurance

With general insurance underwriting losses up £8m to £31m pre-tax income of Mercantile & General Re-insurance slipped from £3.95m to £3.21m in 1982. The setback was partly offset by a rise of £2.8m to £8.84m from life and annuity business.

The company, which is a subsidiary of Prudential Corporation, increased technical reserves over the year by £60m to £277m, equivalent to 135 per cent of total premium income. Life and disability business now contributes over 40 per cent of premium income.

In a statement accompanying the company's annual report it says there are signs of some hardening in the re-insurance market with more reinsurers not prepared to accept unrealistic or unsound terms.

However, in the absence of necessary rate increases, it is premature to anticipate a return to underwriting profitability in the sector.

Stainless Metalcraft

Application lists for Stainless Metalcraft's offer for sale of 3.35m ordinary shares of 25p at 120p per share closed at 10.15 am yesterday, substantially over-subscribed. Allotment details will be given on Monday.

TR Natural Resources

NET REVENUE at TR Natural Resources Investment Trust improved from £1.98m to £2.42m in the year to March 31 1983. This was after all charges and tax of £1.45m against £1.02m. Total income improved by 20.1 per cent from £3.66m to £4.39m. Expenses and interest payable fell from £703,747 to £526,548, which takes into account a £6m loan repaid on March 24 1982.

The final dividend is raised from 3.5p to 3.53p for a total of 7p net (6.35p). Stated earnings per 25p share improved by 22.4 per cent from 6.53p to 7.99p, and net asset value per share after deducting prior charges at par was up from 220.01p to 276.38p. Total assets less current liabilities stood at £85.36m (£68.62m) at the year-end.

Williams of Cardiff

Reduced losses of £639,000 against £795,000, are reported by John Williams of Cardiff for the six months to March 31 1983. Turnover of this steel stockholder, architectural design and foundry group fell from £10.48m to £8.23m. No interim dividend is again payable—no payment was made for the previous 12 months.

Loans and overdrafts have been reduced by £500,000 and the board is looking for further improvements during the rest of the year. The stated loss per 25p share was 8.66p (10.03p).

Massey-Ferguson

In the 15 months to January 31 1983 Massey-Ferguson Holdings, the wholly-owned subsidiary of Massey-Ferguson (Canada), made taxable losses of £35.46m on turnover of £609.11m. This compares with losses of £13.52m incurred on turnover of £528.41m in the previous year.

After tax of £837,000 (£141,000) and extraordinary debits of £22.08m (£896,000), the losses per share of this tractor and agricultural machinery maker are given as 313p (163p).

The directors say that as a result of refinancing the UK group now expects to return to profitability during the current year. The 1982 results were severely affected by continuing poor trading conditions in export markets, they add.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

BTR increased its already record bid for Thomas Tilling from £600m to £660m. The cash offer has been raised from 185p per share to 225p and the share exchange terms have been increased from 10 BTR shares for 21 Tilling to 11 BTR for 20 Tilling. BTR said that this was its final offer and the bidder now controls about 22 per cent of Tilling after aggressive buying of Tilling shares and acceptances of 4.2 per cent to its previous offer. The new bid has been rejected as "derisory" and Tilling is preparing it new defence.

Friends' Provident Life Office made an agreed bid for Regional Properties, valuing the latter at £45.6m. Friends' Provident already owns 28.1 per cent of Regional's issued capital and over 50 per cent if an £8m loan stock is taken into account. Friends' Provident is offering 241p per share for the 71.9 per cent of the ordinary shares it does not already own.

Norton Opax, formerly Norton and Wright, the printing group specialising in lottery tickets, made a £10.7m bid for John Waddington, the printing and packaging group famous for the Monopoly board game. Norton is offering eight of its own shares for every five Waddington, valuing the latter's shares at around 170p per share. Waddington is to fight the bid and advises shareholders to take no action.

United Newspapers withdrew from the bid battle for magazine publishers Benn Brothers in the face of a revised £15.3m offer from Extel. Extel has offered 74 of its own shares for every 100 Benn, valuing the latter's shares at around 228p per share. United began the bidding for Benn with an £11m offer, but Extel topped this with a £12.5m bid. United countered with a second offer worth just over £14m, but Extel replied with its latest offer of £15.3m at which point United decided that another bid for Benn could not improve its earnings per share.

Hestair, the industrial group which makes fire-fighting equipment, launched an all-equity for Duple International, the bus and coach body manufacturer. Hestair bought a 22.3 per cent holding in Duple from Grovewood, a subsidiary of Eagle Star. Together with the 7.6 per cent stake purchased earlier in May, Hestair's holding rose to 29.9 per cent. Hestair is offering eight of its own shares for every 13 Duple that it does not already own, valuing the latter at £4.3m, or about 42p per share.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aberthaw Cement	696§	640	420	20.01	Blue Circle
Andrsn Strthclyde	200*	196	179	94.83	Charter Consd
Anglo Met	90‖	90	80	5.31	Atlantic Met
Austin (E.)	60*	35	50	2.54	Caparo Industries
Austin (James)	92*§	92	64	4.14	Trumans Steel
Barton Group	42½*§	40	32	10.20	Caparo Industries
Bell and Sime	160*§	155	136	0.45	Fleming (J.)
Benn Bros	212½	208	150	14.23	Utd Newspapers
Benn Bros	22	208	185	15.02	Extel
Camrex	69¼	66	56	6.67	Ruberoid
Davenport Brwy	333§ §§	335	246	27.02	Wolv Dudley
Dollands	37½*§	142	70	0.15	A. P. Ward and N. Fetterman
Duple Intl§	40½§	42	42	4.18	Hestair
Heal	£38*	£36	£18	4.80	Habitat Mthrcare
Highgate Optical	23*	60	35	0.47	Exem
Jeavons Engng	78	72	62	4.37	*Newman-Tonks*
Long and Hambly	10*‡	9½	8	0.21	Tarmac
News Internatnl	225*§	213	223	20.60	News Corporation
Rediffusion¶	358*§	80	51	13.07	BET
Regalian Props	47*§	80	51	13.07	Davstone
Regional Props	241*§	234	235	4.37	Friends' Prvident Life
RTD	16*	18	14	0.30	East Anglian Secs
Saxon Oil	114½§	180	66	17.21	Clyde Pet
Steetley	18	197	153	114.3	Hepwrth Ceramic
Sunrie	60*§	95	70	0.95	Afcor Invs
Surmah Vlly Tea	144	125	123	1.15	Rightwise
Tilling (T.)	236§	231	178	686.7	BTR
UDS¶	133	131	110	253.6	Hanson Trust
Waddington (J.)	168	180	186	10.48	Norton Opax
W. Coast & Texas	178	167	156	5.34	Baltic Leasing

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on May 20 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Advance Services	Dec	4,590	(4,120)	6.3	(4.9)	3.5	(3.3)
Anglo Indonesian	Dec	40	(36)L	—	(—)	1.0	(1.0)
Beattie (James)	Jan	3,480	(2,990)	8.0	(8.9)	2.65	(2.38)
Bestwood	Dec	220	(186)	11.8	(7.6)	6.5	(5.5)
Bilton (Percy)	Dec	9,320	(7,220)	14.9	(12.5)	9.6	(7.5)
British-Borneo	Mar	1,154	(354)	17.4	(0.1)	12.8	(12.8)
Chamberlin & Hill	Mar	275	(486)	4.8	(13.5)	2.9	(2.9)
Duport	Jan	1,115L	(325)L	—	(—)	—	(—)
Ex-Lands	Dec	46	(81)	0.8	(1.5)	0.6	(0.6)
Extel Group	Dec	5,260	(4,450)	17.7	(24.7)	10.0	(9.0)
Foster (John)	Feb	245	(291)L	2.4	(—)	1.5	(0.5)
Geers Gross	Dec	1,820	(1,022)	8.5	(8.1)	4.0	(3.2)
Gleves Group	Jan	739	(291)L	18.0	(—)	2.25	(—)
Hartwells Group	Feb	3,170	(2,080)	14.2	(9.3)	4.4	(3.94)
Heath (C.E.)	*Mar*	*19,540*	*(17,030)*	14.8	*(13.1)*	36.7	*(33.6)*
Hinton (Amos)	Mar	2,010	(2,500)	31.7	(40.5)	8.0	(8.0)
Hunting Gibson	Dec	1,880L	(73)L	9.8	(25.2)	8.0	(6.0)
King & Shaxson	Apr	1,500†	(1,080)†	16.7†	(12.0)†	7.5	(6.5)
Land Securities	Mar	78,180¶	(67,400)¶	13.3	(11.9)	9.25	(8.4)
Manor National	Dec	198L	(420)L	—	(—)	—	(—)
Mersey Docks	Dec	14,224L	(6,716)L	—	(—)	—	(—)
Mettoy	Dec	3,830L	(2,740)L	—	(—)	—	(—)
Richardsons	Dec	2,580L	(933)L	—	(4.2)	0.1	(1.5)
Rolfe & Nolan	Feb	321	(300)	10.0	(9.1)	2.75	(2.5)
Ropner	Dec	5,470	(6,050)	10.5	(13.7)	4.5	(4.33)
Runciman (Wltr)	Dec	1,070	(2,320)	9.9	(20.6)	5.0	(7.5)
Scottish Heritable	Dec	143	(757)	0.3	(7.9)	2.0	(3.0)
Selincourt	Jan	407	(375)	—	(—)	0.01	(0.44)
Small (John C.)	Dec	97L	(11)L	—	(—)	—	(0.5)
Usher-Walker	Dec	675	(336)	15.5	(8.7)	5.0	(4.29)
Warringtn (Thos)	Dec	616	(813)	12.4	(12.4)	6.16	(5.6)
Weeks Associates	Jan	152	(242)	1.2	(2.4)	0.7	(0.7)
Whitbread	Feb	81,000	(73,300)	14.1	(14.3)	5.4	(4.9)

Offers for sale, placings and introductions

Albert Martin Holdings is raising £920,000 through a placing of 2m new ordinary shares at 46p each with institutional investors.

Anglo American Agriculture—dealt under Rule 163 (2)—is placing up to 10m new ordinary shares at 40p each, to raise up to £4m.

Juliana's Holdings is coming to the market for a full listing by way of an offer for sale by tender of 1.35m shares at a minimum price of 225p per share.

Murray Electronics is coming to the Stock Exchange via an offer for sale of 30m ordinary 25p shares at 100p per share.

Watney Mann & Truman is raising £50m through the placing of a secured redeemable debenture stock, 2008.

Rights Issues

Hewden-Stuart Plant is raising up to £8.6m by way of a rights issue of 10 per cent convertible unsecured loan stock 2003-08, on the basis of £1 of stock for every 10 ordinary shares.

Smith Brothers is making a two for five rights issue at 50p to raise £1.747m and placing 750,000 ordinary shares and £2.5m of 11 per cent partly convertible subordinated capital notes with Finance for Industry.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Allied Ldn Props	Dec	867	(752)	0.3	(0.28)
Amber Day	Nov	280	(732)	—	(—)
Bellway	Jan	640	(546)	3.0	(3.0)
Borthwick (Thos)	Apr	3,090	(127)	—	(—)
Brown (Matthew)	Apr	2,510	(2,330)	1.6	(1.35)
Canvermoor	Mar	112	(182)	1.2	(—)
Construetn Hldgs	Mar	97	(101)	5.95	(5.95)
Fairline Boats	Mar	68	(64)L	0.75	(0.5)
General Accident	Mar	8,900‡	(11,400)L‡	—	(—)
Gleeson (M.J.)	Dec	1,280	(683)	1.3	(1.1)
Grand Metropltn	Mar	113,600	(74,800)	3.88	(3.5)
Herman Smith	Jan	66L	(104)	0.2	(0.2)
Higsons Brewery	Apr	419	(426)	0.4	(0.4)
Irish Distillers	Mar	4,650§	(4,450)§	1.5	(1.1)
Lloyds Bank Intl	Mar	70,300	(67,400)	—	(—)
NSS Newsagents	Apr	3,440	(3,130)	1.1	(1.0)
Polly Peck	Mar	6,070‖	(3,060)a	9.0	(6.3)
Radio City	Mar	285	(249)	1.8	(—)
Redfearn Glass	Apr	982L	(624)L	—	(3.0)
Redman Heenan	Mar	2,480L	(1,490)L	—	(1.4)
Reliant Motor	Mar	11	(84)L	—	(—)
Ryl/Dutch Shell	Mar	508,000b	(414,000)b	—	(—)
Stenhouse Hldgs	Mar	3,420	(2,990)	—	(—)
Unilever	Mar	163,000‡	(179,000)‡	—	(—)
Utd Scientific	Mar	6,710	(4,650)	2.0	(1.5)
Wearwell	Mar	2,470	(1,626)	1.32	(1.2)
Wolvrhmptn Brws	Mar	5,540	(4,820)	2.3	(1.8)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where otherwise stated. † After providing for rebate, tax and transfer to inner reserves. ‡ First quarter figures. § In I£. ¶ Income before tax. ‖ For the period from August 29,1982 to March 4, 1983. a For the period from September 1, 1981 to the end of February, 1982. b Net income for the first quarter. L Loss.

Scrip Issues

Land Securities—Two for five.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$350	3	92	—	—	—	—	$439.26
GOLD C	$375	1	63	—	—	—	—	"
GOLD C	$400	52	37	3	56	3	64	"
GOLD C	$425	914	15	8	38	28	48	"
GOLD C	$450	192	0.10	27	21	3	34	"
GOLD C	$475	—	—	68	10	18	24	"
GOLD C	$500	—	—	12	6	22	15	"
GOLD C	$550	—	—	10	2	4	7	"
GOLD P	$400	—	—	16	4	—	—	"
GOLD P	$425	99	0.10	120	8	43	10	"
GOLD P	$450	392	11	23	20	—	—	"
GOLD P	$475	99	36	6	38	—	—	"
		June		Sept.		Dec.		
SILV C	F.11	—	—	2	2.80	—	—	F13.30
SILV C	F.12	8	1.60	2	2	11	3	"
SILV C	F.13	—	—	—	—	2	2.10	"
SILV C	F.14	—	—	—	—	26	1.40	"
SILV P	F.11	—	—	—	—	10	0.60	"
SILV P	F.13	—	—	—	—	5	1.30	"
		July		Oct.		Jan.		
AKZO C	F.45	7	14 B	—	—	—	—	F.56.40
AKZO C	F.50	7	10	10	10.70 B	—	—	"
AKZO C	F.55	80	6.50	7	8.50	35	10.50	"
AKZO C	F.60	325	3.10	56	6.90	5	7.50	"
AKZO C	F.65	91	1.50	66	4	37	5.20	"
AKZO P	F.50	59	1	22	2.10	—	—	"
AKZO P	F.55	39	2.20	25	3.30	5	4 A	"
AKZO P	F.60	85	4.60	7	5.80	8	7.40	"
KLM C	F.140	11	9.50 B	10	17 B	—	—	F.141.80
KLM C	F.150	102	6	7	10 B	—	—	"
KLM C	F.160	22	3.70	14	9.80	—	—	"
KLM C	F.170	25	1.50	10	5.20	—	—	"
KLM P	F.110	8	1	—	—	—	—	"
KLM P	F.120	25	2	—	—	—	—	"
KLM P	F.130	17	5	—	—	—	—	"
KLM P	F.140	17	9	25	13	10	20	"
KLM P	F.150	25	13	—	—	10	26	"
KLM P	F.160	—	—	1	26	—	—	"
PHIL C	F.25	20	20.80	—	—	—	—	F.45.70
PHIL C	F.30	52	15.50 B	70	16.10 B	—	—	"
PHIL C	F.32.50	42	13.10 B	10	13.80 B	—	—	"
PHIL C	F.35	7	10.60 B	20	11.90 B	—	—	"
PHIL C	F.40	248	6.60	90	8.40 B	1	9.50 B	"
PHIL C	F.45	524	3.60	174	5.60	15	7.20	"
PHIL C	F.50	1204	1.70	234	3.50 B	110	6	"
PHIL P	F.35	86	0.10	81	0.70	—	—	"
PHIL P	F.40	292	0.90 B	140	1.70	5	2.70	"
PHIL P	F.45	179	2.60	9	3.40 B	1	4.20	"
PHIL P	F.50	27	5.70	8	6.70	10	7	"
RD C	F.90	700	26.50 B	—	—	—	—	F.114.30
RD C	F.100	56	16.50	24	17.50	—	—	"
RD C	F.110	460	6.20	114	11	43	13.60	"
RD C	F.120	425	4	566	6.50	32	8.30	"
RD C	F.130	488	1.60	100	4	3	4.70 B	"
RD P	F.90	700	0.30	10	0.80	—	—	"
RD P	F.100	7	0.40	78	2	—	—	"
RD P	F.110	250	2.10	298	4.60	12	8	"
RD P	F.120	60	8.20	10	11.20	2	15	"
UNIL C	F.190	—	—	8	11.50	—	—	F.189
UNIL C	F.200	88	3	80	8.50	3	15	"
UNIL C	F.220	55	1.90	30	5.60	1	7.50	"
UNIL C	F.240	—	—	—	—	10	3.50	"
UNIL P	F.180	36	2.30	—	—	—	—	"
UNIL P	F.190	47	6.80	56	8	—	—	"
UNIL P	F.200	45	12.60 B	26	16 B	—	—	"
		May		Aug.		Nov.		
12¾ NL 81 87-91								
C	F.122.50	3	4.20	—	—	—	—	F.126.60
C	F.127.50	14	0.10	50	1.70	—	—	"
C	F.130	—	—	25	1.10	5	2	"
P	F.120	—	—	180	0.50	—	—	"
P	F.125	—	—	99	2	—	—	"
P	F.127.50	630	0.70	16	3.80	—	—	"
P	F.130	268	3.20	59	5.30	1	5	"
P	F.136	1051	8.20 A	—	—	—	—	"
10 NL 83-11 86-89								
C	F.107.50	—	—	—	—	250	1.70	F.106

TOTAL VOLUME IN CONTRACTS 18,425

A=Asked B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	10 %	■ Hambros Bank	10 %
Al Baraka International	10 %	Heritable & Gen. Trust	10 %
Allied Irish Bank	10 %	■ Hill Samuel	§10 %
Amro Bank	10 %	C. Hoare & Co.	†10 %
Henry Ansbacher	10 %	Hongkong & Shanghai	10 %
Arbuthnot Latham	10 %	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	10 %	Knowsley & Co. Ltd.	10½%
Associates Cap. Corp.	10 %	Lloyds Bank	10 %
Banco de Bilbao	10 %	Mallinhall Limited	10 %
Bank Hapoalim BM	10 %	Edward Manson & Co.	11 %
BCCI	10 %	Midland Bank	10 %
Bank of Ireland	10 %	■ Morgan Grenfell	10 %
Bank Leumi (UK) plc	10 %	National Bk. of Kuwait	10 %
Bank of Cyprus	10 %	National Girobank	10 %
Bank of Scotland	10 %	National Westminster	10 %
Banque Belge Ltd.	10 %	Norwich Gen. Tst.	10 %
Banque du Rhone	11 %	P. S. Refson & Co.	10 %
Barclays Bank	10 %	Roxburghe Guarantee	10½%
Beneficial Trust Ltd.	11 %	Royal Trust Co. Canada	10 %
Bremar Holdings Ltd.	11 %	Slavenburg's Bank	10 %
Brit. Bank of Mid. East	10 %	Standard Chartered	‖10 %
■ Brown Shipley	10 %	Trade Dev. Bank	10 %
Canada Perm't Trust	11 %	Trustee Savings Bank	10 %
Castle Court Trust Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	United Bank of Kuwait	10 %
Cedar Holdings	10 %	United Mizrahi Bank	10 %
■ Charterhouse Japhet	10 %	Volkskas Intnl. Ltd.	10 %
Choulartons	11 %	Westpac Banking Corp.	10 %
Citibank Savings	¶10 %	Whiteaway Laidlaw	10½%
Clydesdale Bank	10 %	Williams & Glyn's	10 %
C. E. Coates	10½%	Wintrust Secs. Ltd.	10 %
Comm. Bk. of N. East	10 %	Yorkshire Bank	10 %
Consolidated Credits	10 %	■ Members of the Accepting Houses Committee.	
Co-operative Bank	*10 %	* 7-day deposits 6.75%. 1-month 7.00%. Short-term £8,000/12-months 8.35%.	
The Cyprus Popular Bk.	10 %	† 7-day deposits on sums of: under £10,000 6¾%. £10,000 up to £50,000 7¼%. £50,000 and over 8½%.	
Duncan Lawrie	10 %	‡ Call deposits £1,000 and over 6¾%.	
E. T. Trust	10½%	‖ 21-day deposits over £7,000 7¾%.	
Exeter Trust Ltd.	11 %	§ Demand deposits 6¾%.	
First Nat. Fin. Corp.	12½%	¶ Mortgage base rate.	
First Nat. Secs. Ltd.	12 %		
Robert Fraser	10½%		
Grindlays Bank	‡10 %		
■ Guinness Mahon	10 %		

BIDS AND DEALS

Fitch holders bar Safeway deal

SHAREHOLDERS in Fitch Lovell duly voted the way the board finally indicated at an extraordinary meeting yesterday and passed the resolutions for the sale of the butchers shops and the poultry business but blocked the resolution to sell the Key Markets food retailing division to Safeway for £34.8m.

The original contract with Safeway has been overtaken by events since negotiations were concluded almost a month ago as Linfood Holdings entered and eventually won an action against Safeway for control of Key Markets at £40.8m.

The final agreement will not be concluded until both vendor and buyer hold extraordinary meetings to consider the transaction on June 10 but, anticipating the result of yesterday's proceedings, Mr Alec Monk, chairman of Linfood, has already written to his shareholders urging their approval of the purchase.

"In recent years, Key Markets sales have shown little growth and margins have been low as a result of heavy development charges in relation to that company's size and a failure of the sales base to expand sufficiently, thereby failing to reduce the burden of fixed charges.

The proposed merger with Gateway, Linfood's principal supermarket division, will inject new life into Key Markets." Mr Monk adds. The more aggressive pricing policy and better dry goods merchandising which has transformed the Gateway operation will be applied to the Key Markets stores.

FIH ACQUISITION

Ferguson Industrial Holdings has acquired Cape Western Printing (Proprietary), a privately-owned company based *in Cape Town, South Africa.*

Consideration is all cash satisfied by an initial payment of £585,000 from funds already available in South Africa and a deferred payment up to a maximum of a further £585,000 depending on the profitability of the company in the years ending June 30 1983 and 1984.

CWP prints paper labels for the wine and canning industries with each industry representing roughly equal shares of the turnover.

Printing techniques and equipment are similar to those used in FIH printing and packaging division.

In the year to June 1982 CWP sales were £1.35m and profit before tax was £285,000. Net asset value of CWP at that date was £770,000.

AE SOUTH AFRICA

Following a meeting of AE South African shareholders, AE Motor Spares will be sold to Peter Rhodes and Associated *Engineering (SA) (Asseng) will* make a rights issue to raise approximately R10m or 150 cents per existing share.

TADDALE INV.

The offer for Edmond Holdings by Taddale Investments has expired. Before the offer Taddale held 2,861,607 Edmond ordinary (7.17 per cent of the current issued share capital) and acceptances have been received in respect of 468,754 (1.17 per cent).

During the offer Taddale acquired 22.71m ordinary (57 per cent), *as to* 19,857,142 *as* consideration for the purchase by Edmond of a portfolio of properties and 2,861,607, Taddale's entitlement to rights under the rights issue offered to Edmond shareholders on April 28.

Under an agreement with Sternberg, Thomas Clarke and Co, members of the stock exchange, 15,604,064 of the shares acquired by Taddale during the offer period and all the shares acquired pursuant to the offer have been placed, leaving Taddale with a total of 9,976,292 ordinary in Edmond (25 per cent of the current issued share capital).

JAMES AUSTIN

Acceptances of the offer by Trumanns Steel have been received in respect of 2,243,167 existing James Austin Steel Holdings ordinary shares 49.85 *(per cent).*

Trumanns held, prior to the offer periods, 1,159,000 ordinary (25.77 per cent) and, as announced on April 26, received irrevocable undertakings from 1,889,626 Austin ordinary shares (42 per cent).

Trumanns now controls 3,402,967 Austin ordinary shares, equivalent to 75.62 per cent. Accordingly, the new offer is declared unconditional as to acceptances and will close on *June 3.*

DAVIS INDS. (UK)

Semmons Taylor Co (UK), a manufacturer and supplier of high technology food ingredients and blended food products, has been acquired by Davis In*dustries (UK), part of* the international stabiliser and gelatine manufacturer, Davis Consolidated Industries, Sydney, Australia. Semmons Taylor Co (UK) will continue to trade under its own name, in its Banbury offices, as a wholly-owned subsidiary of Davis Industries (UK).

Semmons Taylor is complimentary to other Davis operations in the UK—Lysander Food products, who are specialists in *stabilisers, and Davis Gelatine.*

HAVERFORD SECS.

Haverford Securities is making an offer for the ordinary and deferred shares, and the ordinary and deferred convertible bonds of Commercial Development Finance Corporation (Holdings) SA.

JOHN MOWLEM

Ernest Ireland Construction, a subsidiary of John Mowlem & Company, has purchased the assets and name of Isaac Jones (Llanelly) and will operate the business from a company to be called Isaac Jones Construction which will have its headquarters at Temple Works, The Furnace, Llanelli, Dyfed.

LOW & BONAR

The merger of the travel interests of Low & Bonar with A. T. Mays is completed. The combined interests are now being operated by a new company, A. T. Mays Group. This completes a further step in the restructuring of Low and Bonar's activities. One of the terms of the merger has been changed. The issue of £500,000, 14 per cent debentures to A. T. Mays shareholders by A. T. Mays Group will be replaced by an issue of £500,000, 8½ per cent preference shares of £1 each. These shares are not convertible and do not carry voting rights.

RADIO CITY

Liverpool Daily Post and Echo Group has disposed of its remaining holdings of non-voting and voting shares in Radio City (Sound of Merseyside).

Retired former director, J. Swale, has disposed of 28,292 ordinary shares and 153,530 "A" ordinary non-voting, his total holdings.

LADBROKE INDEX
683-684 (−2)
based on FT Index
Tel: 01-493 5261

MAM Management Agency & Music P.L.C.

INTERIM STATEMENT

The unaudited Profits of the Group before taxation for the six months ended 31st January 1983 amounted to £954,383 compared with £1,023,932 for the comparative six months last year.

	Six months 31st January 1983	Six months 31st January 1982
Turnover	£14,783,671	£12,756,861
Pre-Tax Profits	954,383	1,023,932
Corporation Tax at 52%	496,279	532,445
	458,104	491,487
Interim Dividend	210,595	210,595
Unappropriated Profit Carried Forward	£247,509	£280,892
Earnings per Ordinary Share	6.09p	6.53p

Your Board has today declared an interim dividend of 2.8 pence per share (1982—2.8p) which will be paid on 18th July 1983 to shareholders registered at the close of business on 16th June 1983.

The Board is of the opinion that these interim results are in line with their forecast made in the last Chairman's Statement, that profits for the full year may be a little less than those achieved last year.

Granville & Co. Limited
(formerly M. J. H. Nightingale & Co. Limited)
27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	134	—	6.4	4.8	7.3	10.2
158	117	Ass. Brit. Ind. CULS	152	—	10.0	6.6	—	—
74	57	Airsprung Group	64	—	6.1	9.5	18.3	18.3
46	28	Armitage & Rhodes	28	—	4.3	15.4	3.1	5.5
345	137	Bardon Hill	345	—	11.4	3.3	14.6	18.3
150	100	CCL 11pc Conv. Pref.	149	—	15.7	10.5	—	—
270	210	Cindico Group	210	—	17.6	8.4	—	—
86	46	Deborah Services	49	—	6.0	13.0	3.0	9.2
97½	77	Frank Horsell	96	—	—	—	8.0	8.6
96	75½	Frank Horsell Pr Ord 87	94	—	8.7	9.2	10.5	11.3
83	61	Frederick Parker	62	—	7.1	11.5	3.8	6.2
55	34	George Blair	34	—	—	—	5.5	12.3
100	74	Ind. Precision Castings	76	—	7.3	9.6	5.7	12.3
175	100	Isis Conv. Pref.	175	—	15.7	9.0	—	—
149	94	Jackson Group	149	—	7.5	5.0	4.6	9.5
225	111	James Burrough	223	—	8.8	4.3	15.3	18.1
280	148	Robert Jenkins	143	—	20.0	13.4	1.8	23.7
83	54	Scruttons "A"	67	—	5.7	8.5	8.7	10.5
167	112	Torday & Carlisle	114	—	11.4	10.0	6.1	8.8
28	21	Unilock Holdings	28	—	0.46	1.8	—	—
85	64	Walter Alexander	68	—	6.4	9.4	4.9	7.0
270	214	W. S. Yeates	265	—	17.1	6.5	4.1	8.5

Prices now available on Prestel page 48146.

APPOINTMENTS

Standard Chartered makes changes

Sir Leslie Fletcher has been appointed to the boards of STANDARD CHARTERED MERCHANT BANK and its wholly-owned subsidiary MAIBL from June 1. He will succeed Mr Peter Graham, as chairman of the boards of both banks. Mr Graham will be retiring from both boards on the same date. He takes up his appointment as senior deputy chairman of Standard Chartered Bank on September 1. Sir Leslie is executive chairman of Glynwed International; an appointment which he has held since 1971 and which he retains. He was formerly a director of J Henry Schroder Wagg and Co. He has been a director of Standard Chartered Bank since 1972 and became a deputy chairman of the bank on May 12.

★

Mr John J. Howard has retired from the board of TRADE INDEMNITY, and Mr B. C. Marshall, director and chief general manager of the General Accident Fire and Life Assurance Corp, has been appointed to the board.

★

Mr C. H. Tidbury, at present chairman and group managing director of WHITBREAD, has decided to divide these two offices, in view of his appointment as chairman of the Brewers' Society, and other industry interests. He will remain chairman and Mr A. J. J. Simonds-Gooding becomes group managing director from June 1. Mr G. R. Seymour, at present deputy chairman, has retired as an executive director. On June 1 Mr R. N. Farrington and Mr M. C. Findlay will be appointed vice chairmen. In addition to their existing board responsibilities they will assist in the management of the company's external affairs and relationships.

★

Mr Colin J. Newman, who joined SAMUEL BANNER AND CO in 1978 as manager of the vegetable oil division has been appointed to the board.

★

Mr John Dodd has joined CHUBB AND SON as legal adviser and assistant company secretary. He was previously with Rolls Royce.

LONDON TRADED OPTIONS

Option	Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
Brit. Petroleum (*380)						
300	82	100	—	2	3	—
330	62	70	—	4	8	—
360	42	52	60	11	16	24
390	28	38	44	24	32	40
420	16	23	—	46	50	—
Cons. Goldfields (*574)						
450	120	130	—	3	7	—
500	90	97	105	7	20	25
550	50	66	80	20	34	42
600	24	37	52	47	64	64
Courtaulds (*95)						
70	28	31	—	1	1½	—
80	18	21	24	1	2	5
90	10	14	18	4	6	8
100	5	9	12	9	11	13
Commercial Union (*150)						
120	44	47	—	1½	1½	—
130	34	37	—	2	3	—
140	27	30	35	2½	5	7
160	12	18	22	10	18	16
180	5	11	14	24	25	26
G.E.C. (*215)						
180	48	56	—	2	5	—
200	33	40	50	5	10	14
220	20	28	38	15	22	27
240	11	18	22	27	32	35
260	5½	—	—	46	—	—
Grand Met. (*336)						
280	53	—	—	3	—	—
300	44	60	58	6	8	11
330	21	37	46	14	17	19
360	15	25	32	30	33	35
390	7	14	—	57	58	—
I.C.I. (*470)						
330	150	—	—	3	—	—
360	120	126	—	3	4	—
390	90	96	—	5	7	—
420	64	72	88	8	14	18
460	38	50	60	20	26	30
500	14	30	40	48	50	54
Land Securities (*315)						
260	58	66	—	2	—	—
280	32	46	—	3	6	—
300	22	32	38	8	12	17
330	9	18	26	22	27	33
Marks & Spencer (*192)						
160	37	36	—	4	6	—
200	16	24	33	10	14	17
220	8	14	21	24	26	28
240	3	—	—	43	—	—
Shell Transport (*504)						
390	124	130	—	1½	2	—
420	94	100	—	2	5	—
460	58	66	75	6	12	14
500	30	40	52	18	26	30
550	12	20	—	56	62	—

Option	Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
Barclays Bank (*460)						
360	115	—	—	2	—	—
390	88	—	—	3	—	—
420	63	73	—	8	13	—
460	33	53	67	20	28	43
500	15	27	38	45	56	70
Imperial Group (*111)						
110	12	14	17	5	8	10
120	5	8	10	11	14	15
130	3	4½	—	20	21	—
LASMO (*278)						
210	87	83	—	3	4	—
230	67	78	—	4	7	—
250	55	65	—	12	18	—
270	40	58	—	20	30	—
280	—	—	60	—	—	32
290	30	—	—	35	—	—
300	—	35	47	—	43	45
320	18	—	—	55	—	—
330	—	25	—	—	53	—
Lonrho (*91)						
80	14	16	—	3	3½	—
90	7	9	11	5	6½	8
100	3	5	6½	12	14	17
P. & O. (*221)						
110	114	—	—	2	—	—
120	104	108	—	2	1	—
130	94	98	—	2	2	—
140	84	88	—	2	3	—
160	64	68	—	2	5	—
180	49	53	54	5	12	15
200	32	35	44	15	21	23
220	22	24	30	25	29	32
Racal (*489)						
420	94	107	—	4	11	—
460	64	77	26	15	25	35
500	46	55	70	50	43	52
550	23	—	—	70	—	—
600	7	—	—	120	—	—
R.T.Z. (*594)						
320	—	—	—	3	—	—
420	190	—	—	—	—	—
460	152	—	—	2	—	—
500	117	135	—	5	2	—
560	60	82	102	12	22	28
600	44	51	70	32	42	55
Vaal Reefs (*125)						
90	36½	38½	—	1	3	—
100	27	31½	—	2½	6	—
110	21½	28½	—	5½	2	—
120	15½	21½	25	9	13½	18
130	10	15½	20	14	18	21
140	6	11	—	—	—	—

Option	Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
Beecham (*388)						
360	45	56	70	10	14	20
390	25	40	50	20	28	35
420	12	25	35	37	43	46
Guest Keen (*156)						
135	27	33	35	3	5	8
155	13	21	25	8	13	15
175	4½	10	13	21	24	26

Total Contracts 2,524 Calls 1,906 Puts 618

* Underlying security price.

NEW YORK

Further losses on Wall St

FURTHER losses were recorded on Wall Street yesterday, when investors moved away from the market to await news on the economy and interest rates.

The Dow Jones Industrial Average Thursday closed below 1,200 for the first time since April 25, and slipped another 5.90 to 1,185.47 by 1 pm yesterday, making a loss of 33.28 on the week.

The NYSE All Common Index, at $93.28, shed 39 cents on the day and $1.79 on the week. Declines led gains by a seven-to-three majority, with the volume down 11m shares to 51.84m compared with 1 pm Thursday.

Investors sold off ahead of the Durable Goods and Money Supply reports due out in the afternoon.

Wall Street is projecting increases in M-1 for the week ended May 11 ranging from $1bn to $5.4bn, and analysts said investors are concerned that another large uptick in the measure could cause the Central Bank to tighten its credit policy.

M-1 measures all money in circulation plus all kinds of checking accounts, including those that bear interest.

Analysts said investors were disappointed by the lower than expected 2.5 per cent rise in the first-quarter Gross National Product reported Thursday.

Bankings weakened on expectations of tighter credit, with Citicorp down $1½ to $40½, Manufacturers Hanover $1½ to $45, Chase Manhattan $¾ to $57½ and Chemical New York $1¼ to $51.

Communications Satellite, one of the best performers, climbed $2⅜ to $74—it advanced the start of its direct broadcast satellite service to next year from 1986, as originally scheduled.

ACF Industries slid $3 to $33¾ after it reduced its quarterly dividend to 34 (69) cents a share.

Affiliated Publications came back $1¾ to $43, after rising $3¼ Thursday.

THE AMERICAN SE Market Value Index slipped 1.23 to 448.02, making a loss of 3.94 on the week. Turnover 10.5m (9.26m) shares.

Canada

Sharply lower at midsession, with the Toronto Composite Index off 16.3 at 2,386.2.

All 14 of the Indices were down.

The Metals and Minerals Index dipped 20.7 to 2,291.6. Golds 3.3 to 4,979.7, Oil and Gas 1.4 to 3,443.7 and Banks 8.72 to 479.37.

Tokyo

Prices continued a downslide, with investors uneasy about the weak Yen and high U.S. interest rates.

The Nikkei Dow Jones index fell 22.97 to 8,561.45. Turnover 320m (330m) shares.

Electricals, Steels, Constructions, Oils and Vehicles all tended generally lower, with the market influenced by dollar/yen Exchang rate uncertainty ahead of the announcement of the latest U.S. money Supply data later yesterday.

Dealers said the market ignored the news Japanese exports are showing signs of recovery.

Despite recent declines, Brokers said they are looking to a strong bullish market in the next weeks with Japan's Bonus Season about to begin. Between June 10 and 20 many Japanese employees receive bonuses generally totalling between three and five months of salary.

Brokers said they expect much of the money to be invested in the Stock Market. Already the major Securities Houses have set up new Mutual Funds, hoping to attract additional money to the market.

Hong Kong

Higher on increased volume towards the close. The Hang Seng Index rising 13.33 to 942.05.

The market derived support from a strengthening in the Hong Kong dollar.

Brokers noted speculative demand ahead of Hong Kong Governor Edward Youde's TV interview later yesterday, noting he said Thursday the underlying strength of the local economy would eventually be reflected in the Exchange rate.

Singapore

Narrowly mixed with prices fluctuating uncertainly throughout the day on bouts of profit-taking and buying support in selective moderate trading.

Hotels, Properties, Commodities and the Second Trading section were also mixed.

Shipyards were mostly lower, as were Motors.

Germany

Prices retreated across the board amid little purchasing interest.

Brokers said a lower overnight Wall Street and position balancing prior to the three-day weekend took their toll on German equities. West German markets will be closed Monday for a religious holiday.

The Commerzbank Index, calculated at mid-session, was 5.60 down at 932.20, although 17 points above the level at the beginning of the week.

Motors were weaker to steady following reports BMW unchanged at DM 333, and Daimler off DM 2.5 at 542, expect better prospects for the industry in 1983. VW shed DM 2 to a low of 174.

Lufthansa held at DM 118.5 but the Preference shed DM 2.30 to 117, despite news it expects higher 1983 profits.

Switzerland

Domestic share prices closed mixed, with volume surprisingly large ahead of the long Whitsun holiday weekend.

Brown Boveri and Cie rose Frs 20 to Frs 1,235 on further consideration of recent results.

Bankings slightly weaker, while business in Insurances was quiet.

Swiss Bonds generally steady in thin volume, with Foreign Bonds little changed.

Among Foreign shares, Dollar stocks traded mixed around overnight New York levels, Germans mostly lower.

Paris

Prices declined in active trading as lower March Industrial Production and predictions by the Statistics Institute and Chamber of Commerce of slower business activity in coming months discouraged investors.

News Thursday of a 75 per cent drop in the Trade Deficit was seen more as further evidence of the recession than as a sign of recovery.

Profit-taking hit Food shares that led the recent advance, with BSN off FFr 24 to FFr 1,780, Moet Hennessy down FFr 29 to FFr 1,174 and Pernod-Ricard FFr 15 lower at FFr 530.

Milan

Mixed in moderate trading amid uncertainty over the forthcoming Italian General Election.

Treasury Bills advanced slightly in mixed trading and Convertibles were selectively firmer.

Montedison and Carlo Erba were lower, after the speculative rush triggered by the announcement of the Industrial Agreement with the U.S. Chemical Group Hercules.

Amsterdam

Lower in line with overnight Wall Street and ahead of the Whitsun holiday.

Australia

Generally steady in moderately active trading. The Federal Mini-Budget and the much larger than expected A$1.5bn Commonwealth Bond tender announced Thursday night had little impact on share markets.

Brokers said markets had anticipated most of the major initiatives contained in the Budget, but some expressed concern at the size of the next Federal Bond tender, which is expected to put upward pressure on domestic interest rates.

Tobaccos were stronger, with a 20 cents gain by Rothmans paving the way. Brewers were also generally higher. Property Developers failed to react to the housing initiatives offered by the new Government.

Most Gold Mines drifted lower. But Metana Minerals gained 20 cents to 95 cents

Closing prices for North America were not available for this edition

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

SINGAPORE

AUSTRIA

JAPAN

BELGIUM/LUXEMBOURG

SWITZERLAND

SOUTH AFRICA

ITALY

Indices

NEW YORK

DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Quiet trading

Trading was rather subdued in currency markets yesterday ahead of the long Whitsun break in most European centres. The dollar recovered from earlier levels to finish on a strong note, *underpinned by expectations of* a further rise in U.S. money supply. This in turn was seen as limiting the scope for any downward adjustment in the U.S. discount rate. Euro-dollar rates were consequently a little firmer, showing gains of up to ⅛ of a point. The dollar closed *at DM 2.4765 against the D-mark* down from Thursday's close of DM 2.4785 but up from the day's low of DM 2.4705. Similarly against the Japanese yen it finished at Y233.80 down from Y234.45 previously but up from a low of Y233.40.

Against the Swiss franc it rose to SwFr 2.0740 from SwFr 2.0710 but *eased from Thursday's* record close of FFr 7.4435 against the French franc to FFr 7.43. On Bank of England figures the dollar's index rose slightly to 122.7 from 122.6.

Sterling was a little firmer overall. Its trade weighted index closed at 84.1 up from 83.9 on *Thursday* and having stood at 84.0 at noon and 83.9 in the morning. Against the dollar sterling opened at $1.5550-1.5560 and traded in a narrow 60 point range before finishing at $1.5555-1.5565, *a rise of 20 points.* It was slightly weaker at the close against the D-mark at DM 3.8525 from DM 3.8550 and FFr 11.56 against FFr 11.5650. It was firmer against the Swiss franc at SwFr 3.2275 from SwFr 3.22 but eased against the yen to *Y364 from Y364¼.* Sterling remained underpinned however by recent opinion polls indicating a Conservative lead over other parties ahead of next month's election.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 20	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.2217	+5.71	+5.50	±1.5447
Danish Krone ...	9.14104	9.08486	−0.59	−0.90	±1.6425
German D-Mark	2.24184	2.26532	+1.05	+5.84	±1.0642
French Franc ...	6.87456	6.80281	−1.04	−1.25	±1.4052
Dutch Guilder ...	2.52595	2.54393	+0.71	+0.50	±1.4964
Irish Punt	0.72569	0.716877	−1.21	−1.42	±1.6698
Italian Lira	1403.49	1347.48	−3.99	−3.99	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

May 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5445-1.5605	1.5555-1.5565	0.20-0.15c pm	1.36	0.45-0.40 pm	1.09
Canada	1.9130-1.9190	1.9165-1.9175	0.20-0.10c pm	0.94	0.46-0.36 pm	0.85
Nethlnd.	4.30-4.34	4.32¾-4.33¾	2-1½c pm	4.85	5-4½ pm	4.39
Belgium	76.75-77.00	76.82-76.92	8c pm-2 dis	0.47	4 pm-6 dis	−0.05
Denmark	13.71-13.76½	13.75¼-13.76¼	2½-1½ore pm	1.80	1½-½ pm	0.29
Ireland	1.2190-1.2200	1.2186-1.2195	0.43-0.55p dis	−4.82	1.23-1.44dis	−4.38
W. Ger.	3.83½-3.86	3.84¾-3.85¾	2½-1½pf pm	5.84	5½-4½ pm	5.19
Portugal	151.80-157.00	154.25-155.25	370-1540c dis	−74.06	735-2300dis	−39.22

Belgian rate is for convertible francs. Financial franc 78.95-77.05.
Six-month forward dollar 0.79-0.74c pm. 12-month 1.32-1.17c pm.

THE DOLLAR SPOT AND FORWARD

May 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5545-1.5605	1.5555-1.5565	0.20-0.15c pm	1.36	0.45-0.40 pm	1.09
Ireland†	1.2750-1.2776	1.2750-1.2760	0.60-0.50c pm	5.11	1.63-1.48 pm	4.87
Canada	1.2310-1.2325	1.2310-1.2315	0.03-0.06c dis	−0.44	0.05-0.09dis	−0.24
Nethlnd.	2.7755-2.7830	2.7810-2.7830	5.87-0.77c pm	3.54	2.35-2.25 pm	3.31
Belgium	49.37-49.46	49.40-49.42	3-4½c dis	−0.91	10-13 dis	−0.93
Denmark	8.8240-8.8470	8.8370-8.8470	½ore pm-½ dis	—	½ pm-½ dis	−5.11
W. Ger.	2.4705-2.4785	2.4760-2.4770	0.95-0.90pf pm	4.48	2.62-2.57 pm	4.18
Portugal	98.50-99.70	99.20-99.70	250-1000c dis	−75.41	500-1500dis	−40.22

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.43-49.53.

EXCHANGE CROSS RATES

MONEY MARKETS

Further shortage

UK clearing bank base lending rate 10 per cent (since April 15 and 18)

Day to day credit was in short supply in the London money market yesterday with the Bank of England forecasting a shortage of around £700m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills —£280m and Exchequer transactions —£70m. There was also a fall in the note circulation of £260m. The bank gave assistance in the *morning of* £415m, comprising purchases of £5m of eligible bank bills in band 1 (up to 14 days) at 10$\frac{1}{16}$ per cent in band 2 (15-33 days) £188m of eligible bank bills at 10 per cent. In band 3 (34-63 days) it bought £1m of Treasury bills and £65m of eligible bank bills at 9⅞ per cent. In band 4 (64-84 days) it bought £121m of eligible bank bills, £9m of Treasury bills (64-91 days) and £26m of local authority bills (64-91 days) all at 9⅞ per cent.

Further help was given in the afternoon of £237m, making a grand total of £652m. The afternoon help comprised purchases of £8m of eligible bank bills in band 1 at 10$\frac{1}{16}$ per cent and in band 2 £10m of local authority bills and £118m of eligible bank bills at 10 per cent. In band 3 it bought £6m of Treasury bills, £20m of local authority bills and £25m of eligible bank bills at 9$\frac{15}{16}$ per cent and in band 4 £12m of local authority bills and £38m of eligible bank bills at 9⅞ per cent. Weekend interbank money opened at 10½-10¾ per cent and touched 9 per cent before finishing at 11 per cent.

LONDON MONEY RATES

May 25 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	9.11	10¼-10⅜	—	—	15½	9¾-10¾	—	—	—
2 days notice	—	—	15⅛-10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10¼-10½	10¼	—	—	10½	10-10⅛	—	—	—
One month	10$\frac{1}{16}$-10$\frac{3}{16}$	15¼-15$\frac{5}{16}$	10¼	10¾-15½	15	10½-15⅝	10	10-10$\frac{1}{32}$	15$\frac{1}{16}$	10
Two months	10⅜ 10⅛	10¼-10$\frac{5}{16}$	10½	15¾-15⅜	15⅛	10⅝	9⅞	9$\frac{15}{16}$	9$\frac{15}{16}$	10
Three months	10$\frac{1}{16}$ 10$\frac{3}{16}$	10¼-15$\frac{5}{16}$	15¼	10⅝-15¼	10$\frac{1}{16}$	10⅝	8¾-9⅞	9$\frac{27}{32}$-9⅞	9$\frac{15}{16}$	10
Six months	10$\frac{5}{16}$-10$\frac{7}{16}$	10¼-10$\frac{7}{16}$	10¼	10½-15⅛	15$\frac{1}{16}$	—	—	—	9$\frac{13}{16}$-9¾	10
Nine months	10¼-10⅛	15¼-10$\frac{7}{16}$	10⅜	10⅝-15¼	10$\frac{1}{16}$	—	—	—	—	—
One year	10$\frac{1}{16}$-10⅛	10⅜-10½	10⅝	15½-10¼	10$\frac{1}{16}$	—	—	—	—	—
Two years	—	—	10⅞	—	—	—	—	—	—	—

ECGD Rate Export Finance Scheme IV Average Rate for interest period April 5 to May 3 1983 (inclusive): 10.304 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11 per cent; four years 11¼ per cent; five years 11½ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9$\frac{27}{32}$-9$\frac{13}{16}$ per cent; four months trade bills 10⅝ per cent.

Approximate selling rate for one month Treasury bills 9$\frac{29}{32}$-10 per cent; two months 9$\frac{25}{32}$-9$\frac{27}{32}$ per cent; three months 9¾-9$\frac{25}{32}$ per cent. Approximate selling rate for one month bank bills 10$\frac{1}{32}$ per cent; two months 9⅞-9 55-64ths per cent and three months 9$\frac{27}{32}$-9 55-64ths per cent; trade bills one month 10$\frac{7}{16}$ per cent; two months 10$\frac{5}{16}$ per cent and three months 10$\frac{3}{16}$ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from May 1 1983. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 5¾ per cent.

Treasury Bills: Average tender rates at discount 9.8131 per cent. Certificates of Tax Deposit (Series 5). Deposits of £100,000 and over held one month 10½ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-12 months 10¼ per cent. Under £100,000 10 per cent from April 8. Deposits held under Series 3-5 10¼ per cent. The rates for all deposits withdrawn for cash 8 per cent.

EURO-CURRENCY INTEREST RATES
(Market closing rates)

May 30	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	10¼-10⅜	10¼-10⅜	10$\frac{1}{16}$-10$\frac{3}{16}$	10$\frac{1}{16}$-10$\frac{3}{16}$	10$\frac{1}{16}$-10$\frac{3}{16}$	10⅜-10½
U.S. Dollar	8⅝-8⅞	8¾-9	9⅛-9¼	[illegible]	[illegible]	[illegible]
Can. Dollar	10-11	9½-10	[illegible]	[illegible]	[illegible]	[illegible]
D. Guilder	5-5¼	5⅜-5⅝	[illegible]	[illegible]	5⅞-6	[illegible]
S. Franc	2¾-3	3-3½	[illegible]	[illegible]	[illegible]	[illegible]
Deutschm'rk	[illegible]	4⅝-4⅞	4⅞-5	[illegible]	5⅛-5¼	[illegible]
French Franc	12½-13¼	12¼-12¾	12¼-12¾	13⅜-13⅞	16-16½	17¼-17¾
Italian Lira	14-15½	14⅝-16	15-16⅛	15¾-16¼	17-17½	18⅜-18⅞
Belg. Franc.						
Conv.	9¼-9¾	9½-10	9¾-10¼	10-10½	10¼-10¾	10½-11
Fin.	9½-10	9¾-10	9⅞-10⅛	10-10¼	10⅛-10⅜	10¼-10½
Yen	6-6⅛	[illegible]	6½-6⅝	[illegible]	[illegible]	5⅝-5¾
D. Krone	4½-5	5¾-6¼	9¼-9¾	9¼-9¾	10½-11	11-11½
Asia $ (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. MAY 20)

3 month U.S. dollars		6 months U.S. dollars	
bid 9 1/8	offer 9 1/4	bid 9 1/4	offer 9 3/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

OTHER CURRENCIES

May 20	£	$		£ Note Rates
Argentina Peso	122.535-122.735	79.840-79.890	Austria	29.95-27.25
Australia Dollar	1.7625-1.7645	1.1325-1.1355	Belgium	75.55-77.35
Brazil Cruzeiro	734.50-757.50	471.93-474.89	Denmark	13.07-13.80
Finland Markka	8.4160-8.4885	5.4500-5.4520	France	11.52-11.62
Greek Drachma	129.707-132.214	83.90-84.10	Germany	3.81½-3.90½
Hong Kong Dollar	10.71-10.17	6.88-6.91	Italy	2205-2295
Iran Rial	139.60*	84.95*	Japan	303-309
Kuwait Dinar (KD)	0.4010-0.4510	0.2910-0.2915	Netherlands	4.50½-4.34½
Luxembourg Fr.	70.52-70.62	49.40-49.42	Norway	11.05-11.15
Malaysia Dollar	3.5750-3.6850	2.2970-2.2990	Portugal	147-109
New Zealand Dlr.	2.3410-2.3520	1.5080-1.5155	Spain	202¼-217
Saudi Arab. Riyal	5.3645-5.3700	3.4500-3.4010	Sweden	11.05-11.75
Singapore Dollar	3.2595-3.2625	2.0890-2.0910	Switzerland	3.20-3.35
Sth. African Rand	1.6805-1.6820	1.0800-1.0810	United States	1.54½-1.50½
U.A.E. Dirham	5.7095-5.7160	3.5720-3.0735	Yugoslavia	125-135

*Selling rates.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

REVIEW OF THE WEEK

Cocoa price surges to three year peak

BY OUR COMMODITIES STAFF

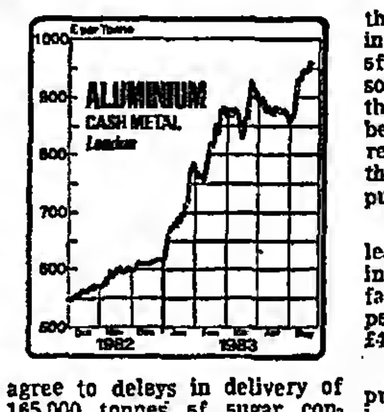
WEAKER STERLING, continuing concern over West African and Brazilian crops, unrest in Ghana, and a continued revival in manufacturer buying interest combined to push values on the London cocoa futures markets to three-year highs this week. After reaching a high of £1,436 a tonne the July position ended £108 up on the week at £1,411.50 a tonne.

A report from Ghana that this year's drought and bush fires had cut crop prospects from nearly 200,000 tonnes to only 80,000, helped to lift the market, although most London traders greeted it with disbelief.

There was genuine concern, however, about the possibility of shipment delays because of widespread demonstrations and threatened strikes in protest at the recent tough Ghanaian budget.

The world sugar market was also very strong with the London daily raws price reaching £152 a tonne—the highest level for more than a year—before ending £10 up at £146 a tonne.

Here, too, sterling's decline was a factor but the sugar market was not short of bullish fundamental news. First South Africa asked Japanese buyers to seek supplies elsewhere because it feared it could not meet commitments as a result of the continuing drought. Then F. O. Licht, the influential West German statistical organisation, forecast that world stocks would fall by up to 1m tonnes in 1983-84 because of production cuts. And finally Cuba asked Japanese buyers to agree to delays in delivery of 165,000 tonnes of sugar contracted for June/December shipment. It had already asked to be allowed to send sugar from other origins because of flood damage to its own crop and this week's request was thought to indicate that it had experienced difficulty in securing covering supplies.



Aluminium was the liveliest market on the London Metal Exchange. Boosted by rumours of further Chinese buying the cash quotation surged £27 higher to £961 a tonne, a new record. Chartist buying was thought to be the major factor in yesterday £15 rise. Talk of Chinese buying continued but some dealers were pointing out that these purchases might well be re-sold when the market reached target level, as has been the case for Chinese copper purchases.

Chinese demand was also a leading factor in an early rise in the zinc market, but after falling £4.25 yesterday the cash position ended £0.50 down at £476.50 a tonne.

A $30 European producer price rise to $780 announced by *Metallgesellschaft* on Thursday was followed yesterday by Noranda, Preussag, Penarroya and Norzinc. The move had been expected following a domestic price rise imposed by U.S. producers last month.

Other metals markets were quiet. Cash high grade copper, depressed by another rise in LME stocks to a 4½-year high, ended £4 down on the week at £1,143 a tonne; cash tin declined … to £893 a tonne; and cash lead fell £2.50 to £278 a tonne.

BASE METALS

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,147, 47.50, three months £1,174, 74.50. Cathodes: Cash £1,107. Kerb: Higher Grade: Three months £1,174, 74.50, 74. Afternoon: Higher …

… 87.50, 88, 88.50, 88, 87.50, 87, 87.50. Kerb: Three months £988, 87.50, 88, 88.50. Afternoon: Three months £986, 85, 88, 85.50, 88, 87, 87.50, 88. Kerb: Three months £987.50, 87, 87.50, 88. Turnover: 21,250 tonnes.

COFFEE

COFFEE	Yest'day's Close	+ or −	Business Done
May	1865-89	+29.5	1969-50
July	1680-81	+26.5	1093-55
Sept.	1050-09	+41.5	1052-15
Nov.	1607-09	+29.5	1507-75
January	1607-70	+20.0	1507-52

INDICES

FINANCIAL TIMES

May 19	May 19	M'th ago	Y'ar ago
275.18	274.60	269.55	249.12

(Base: July 1 1952=100)

REUTERS

LONDON OIL SPOT PRICES

PRODUCTS—North West Europe CIF ($ per tonne)

Premium gasoline	299-306	+3.0
Gas oil	254-264	+1.0
Heavy fuel oil	161-165	—

GAS OIL FUTURES

Month		+ or −	Business Done
	$ U.S. per tonne		
May	241.75	+1.75	245.58-42.00
June	239.25	+2.25	239.50-36.75
July	238.25	+1.75	239.00-36.00
Aug	240.60	+9.50	241.00-38.00
Sept	242.50	+2.00	242.50-40.00
Oct	245.50	+2.75	246.00-42.50
Nov	248.60	+5.00	248.50-45.50
Dec	250.55	+9.25	251.00-46.75
Jan	252.00	+1.75	—

Turnover: 1,253 (2,780) lots of 100 tonnes.

GOLD MARKETS

Gold fell just $1 an ounce from Thursday's close in the London bullion market yesterday to finish at 439-440. The metal opened at $438½-$439½ and traded between a high of $440½-$441 and a low of $438-$438½. Trading was subdued ahead of the weekend and U.S. money supply figures due for release after the close in London.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
May	438.00-39.5	+1.500	—
June	439.70-39.8	+1.250	441.50-38.2
July	442.70-45.7	+1.450	—
August	446.50-48.8	+1.900	447.20-46.5
Sept	449.00-50.2	+1.350	449.50-49.5
Oct	455.00-54.0	+2.000	—
Nov	456.00-57.5	+2.250	—

Turnover: 348 (724) lots of 100 troy ounces.

	May 20		May 19	
Gold Bullion (fine ounce)				
Close	$439-440	(£281½-282¼)	$440-441	(£283-283¾)
Opening	$438½-439½	(£281¼-282½)	$439½-440½	(£283-283¾)
Morning fixing	$439	(£282.097)	$440	(£283.049)
Afternoon fixing	$438.75	(£281.340)	$442.60	(£284.265)

Gold Coins May 20

Krugrnd	$452¼-453	(£290¼-291¼)	King Sov	$105½-107	(£67¾-68¾)
½ Krg	$232½-233¼	(£149¾-150¼)	Victoria Sov	$105½-107	(£67¾-68¾)
¼ Krg	$112½-119½	(£76¼-76¾)	French 20s	$87¾-89¾	(£56½-57¾)
1/10 Krug	$46¼-49¼	(£31-31¾)	50 pesos Mex.	$542-544	(£348½-349½)
Mapleleaf	$451-452	(£290-290½)	100 Cor. Aust.	$428-432	(£275½-277½)
New Sov	$103¾-108½	(£66-66½)	$20 Eagles	$560-570	(£360-365½)
½ New Sov	$61½-63½	(£39½-40¾)			

AMERICAN MARKETS

SOYABEAN MEAL

SUGAR

RUBBER

POTATOES

GRAINS

SILVER

TIN

LEAD

ZINC

NICKEL

COCOA

ALUMINIUM

COTTON

WOOL FUTURES

NEW YORK

CHICAGO

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system: they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. ● Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL INDUSTRIAL

A—B

C—D

Cavenham 4½pc1stPf (£1) 31½. 6½pc1stPf (£1) 43 4 (16/5). 7pc1stPf £1) 48. 7½pc 1stPf (£1) 51½ (18/5). 10pc1stPf (£1) 86 7 ½. 10¼pcLn 1992-97 £81¼. 10½pc Ln 1951-96 £83½

Celtic Haven (5p) 18½

Cement-Roadstone Hldgs 7pcPf (Ir£1) Ir£0.66 (13/5). 7pcAPf (Ir£1) Ir£0.37 (17/5)

Central Sheerwood 10pcPf (£1) 98 (18/5)

Centreway Inds 11pcPf (£1) 92

Centreway Tst 11pcPf (£1) 90 4

Canning (W.) 7½pcLn 1988-95 £93½ (18/5)

Cantors (20p) 59 (17/5)

Carlton Inds 10pcPf (£1) 77 (19/5). 9½pc Ln 19... 91 £81½ (16/5)

Carpets Intnl 9½pcDb 1992-97 £52‡

Carrington Viyella 6½pcPf (£1) 43. 8pc Pf (£1) 53● 4.2pcDb 1984-89 £99¼ ½ (18/5). 7pcDb 1984-89 £80½ (18/5). 6.25pcLn 1991-96 £49 (19/5)

Carlton (S.) (Hldgs) 19.25pcPf (£1) 99 (18/5)

E—F

G—H

I—J—K

L—M

Metal Box 10½pcLn 1992-97 £85¼

Metal Inds 5pcPf (£1) 41 (18/5)

Michelin Tyre 8¼pcDb 1984-89 £79½ (16/5). 9½pcDb 1892-97 £85½ (18/5)

Miller (F.) (Textiles) 11pcPf (£1) 118 (13/5)

Millfields Inv 7pcPf (£1) 88½ (13/5)

Mills and Allen (Hldgs) 6½pcPf (£1) 43

Mitchell Cotts 3.5pc2ndPf (£1) 38½ (18/5). 13pcLn 1990-95 £97 ½ (17/5)

Monsanto 9pcLn 1982-86 £187 75

Moss Bros (20p) 185 7

Multitone Electronics 138 42

N—O—P

Q—R—S

T—U—V

W—Y—Z

Whitecroft 4.1pcPf (£1) 45½ (17/5)

Wigfall (H) 6¼pcLn 1994-99 £56½ 9 (18/5)

Wiggins Teape (UK) 6¼pc2ndDb 1981-86 £86¼ (17/5)

Willey S.5pcPf (£1) 850

Wilkinson Riddell (Hldgs) 5pcPf (£1) 46

Wilson (C) Hldgs 6pcPf (£1) 68½ ¼ (16/5). 13½pc2ndPf (£1) 125 (17/5)

Wire Plastic Prods (10p) 57

Woodward (H) (12½p) 41 (17/5)

Worldmembers (Hldgs) 7½pcPf (£1) 44 (17/5)

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

MINES—MISCELLANEOUS

North Kalgurli OptSob1share 34‡ ½

Northchart Inv (R9.10) 14 ½ 5 ½ 6 (17/5)

Rio Tinto-Zinc Accumtg 573 7 83. 3.5pc BPrf (£1)(Regd 48 (16/5). 6¾pc Ln 1985-90 £74 (18/5)

MINES—SOUTH AFRICAN

African and Euro 6pc Prf (R200) £30 (16/5)

Anglo American 6pc Pfd (R200) £30 (17/5)

Clydesdale (R0.50) 625 (17/5)

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

Aust Natl Inds 157● (13/5)

Aust Oil Gas 0 (18/5)

Aust Paper 112 (18/5)

Aust Shale Coal 5

Arnet $US 40½●

Aztec 17 (16/5)

Baguio Gold Mng 8 ½ (13/5)

Balmoral Oes 21½ 2 ½ 3

Basic Bahamas 65

Basic Resources 68 (16/5)

Basic Resources Intnl 200 20 (18/5)

Beach Pet 34

Berjuntal Tin Dredg (Berhad) 185 (17/5)

Black Hill Mins 53● 4● 3 ½ 4 ½ 4 3

Boral 162 (18/5)

Brambles Ind 155

Breakwater Res 675 905 82½

Bridge Oil 198● 92 (18/5)

Bristol Myers $US 79¼● £49½

Buddha Gold Mines 19½● (17/5)

Bukit Sembawang Ests 130 2 (17/5)

Camseal 385● (18/5)

Canon 367 9 (17/5)

Carlton Utd Brews 145

Cent Norseman 475 85

Charriot Resources 67 (17/5)

Cheung Kong 73

China Light Power 130½● (13/5)

Chuang's 11 ¼

City Devs 72● (17/5)

Coles (G. J.) 180

Colortone 22 5 4 5

Command Pet 19½

Conex Aust 39 (18/5)

Cons Edison £15●

Cons Goldfields Aust 34 ½ ½ ¼

Cons Pet 19½ (16/5)

Cons Resources 19½ 17½‡ ¾‡

Cooper Resources 11 12

Crusader Oil 340 (16/5)

Dasa 49● (17/5)

Dasa (Res Transfer) 30 (17/5)

Dev Bk Singapore 285 (18/5)

Digital Equipt $US 115¼● £78⅝

Dome Mines £13● ¼● ⅜ (18/5)

Dresser Inds £12● (17/5)

E African Brews 69 (15/5)

Eastern Pet Aust 44 ½ 5 ½ 6 7½

Eastman Kodak £47½

Elf Aquitaine FFr 171.97 (13/5)

Emerson Elec US$ 59⅞ (14/5)

Energy Oil Gas 38 8 (18/5)

Energy Oes Aust A 81 (18/5)

Enterprise Gold Mines 24● 3 4

Falmouth Pets 37 (16/5)

Gen Oriental 511● 490 2 5 5 9 500 5 7 8

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Adnams B (£1) £15.99 0.15

All England Lawn Tennis Gnd £500Dbs £6,637.5 6,662.5 (18/5)

Amalgd Metal Cpn (£1) 188 200 (17/5)

Alliance Bldg Soc 13⅛pcBds Due 22/6/83 £100.422 027 (17/5)

Ann St Brewery (£1) 395 400 (18/5)

Biotechnology Invs $0.02 650 775 (17/5)

Cannon St Invs (20p) 2 3 4 7

Carraon (10p) 21 2 (18/5)

Channel Hotels Props (10p) 14 6 (16/5)

Checkpoint Europe 60 6 (17/5)

CIC Inv (1p) 1 ¾ ⅞

Cluces Cleaners (1946) (£1) 200 (16/5)

Commf Bk Wales (£1) 82 3 (18/5)

Condster Tst 100 (18/5)

Dart Valley Light Rly (£1) 60 8 (17/5)

Dawson (Wm) (10p) 262 3½ (16/5)

De Gruch (Abraham) (£1) 290

Dollar Land (£1) 49 2 5

Eastbourne Waterworks (£1) (4.9pcMax) 34 5½ (13/5)

Flextech (10p) 500 1 (16/5)

HTN (10p) 50⅛ 1

Home Brewery 920 30 (19/5)

Irish Press (Ir£1) 110

Jennings Bros 162 5 (16/5)

Jersey Elec 5pcPf 46 (16/5)

Jersey Gas 3pcPf (£1) 22 (16/5)

Jersey New Waterworks 2pcPf (£5) 74 (16/5)

Jersey (States of) 6½pcLn 1981-86 £99 (13/5)

Jessel Tst (5p) 8¼ ½ (16/5)

LPA Inds (10p) 99½ 100 (17/5)

London Inv Tst (50p) 15 8 (17/5)

Mercantoll (20p) 155 69 (16/5)

Nationwide Leisure (5p) 18 4 9 20

Utd Friendly Insurance B (10p) 280 99

Weetabix A N-vtg 63 4 (18/5)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

Atlantic Resources New (Ir£0.25) (fully paid) 5 ½ 1¾ 6 7 (18/5)

Konmare Oil Explrn (Ir£0.25) 2 ½ (18/5)

Pennine Resources 22 (16/5)

(By permission of the Stock Exchange Council)

CONTRACTS

£5.5m work for Try

TRY CONSTRUCTION GROUP has received awards worth over £5.5m: they include for the Agricultural Research Council a £2.12m contract to construct a Research Laboratory at Newbury. At Vauxhall Bridge Road SW1 the company will shortly commence a £1.5m development of sheltered housing and associated facilities for the Anchor Housing Association, the contract also includes the construction of light industrial units for the Crown Estate Commissioners. For the Property Services Agency the Try Group has secured on a three year basis three measured term contracts at Tolworth, Oxford and Brize Norton, worth over £1.5m. For the same authority the group has started a £170,000 contract for renovation of the "listed" Admiralty Compass Observatory, Slough.

★

LAWSON, Acton, is to carry out major restructuring and refurbishment work over the next two years at the Hammersmith Hospital in West London, under a contract valued at £1m awarded by the Hammersmith Special Health Authority.

★

G. DEW AND CO. has a £1m contract for a new office block for Time Assurance Society at Oldham and a further £500,000 of essential commodities storage contracts for the CEGB at Agecroft and Bold power stations.

★

NEVILLE-WEBBER & ASSOCIATES, in conjunction with associate company Webber White Contract & Office Furnishing, have been awarded a contract worth over £1m by National Nuclear Corporation for the internal space utilisation of the new offices at Knutsford, Cheshire. A large proportion of the furniture contract has been awarded to Isoplan.

★

CEMENTATION PILING AND FOUNDATIONS, part of the Trafalgar House Group, has contracts for foundation and piling work in Scotland worth over £1m, the largest for the new Scottish Exhibition Centre in Glasgow. Others include the design and construction of diaphragm walls for the Pow Burn pumping station at Prestwick and piling work for both the extension to Marks and Spencer, Glasgow, and the St. Nicholas Street development, Aberdeen.

★

HIMPEY CONSTRUCTION UK has been awarded a £1.5m contract from Glaxo Operations UK to build a large warehouse at the company's factory at Barnard Castle, Co. Durham. The warehouse will have a structural steel frame on in situ reinforced concrete bases with brick and metal clad walls, and the contract includes racking, mechanical, lift and electrical installations. A link to join two factory units in Orton Southgate, Peterborough, Cambridgeshire, is to be built for Peterborough Development Corp. It is worth £778,000.

★

QUALITAIR'S OPM series "through wall" air conditioning units have been selected by the Saudi Arabian Ministry of the Interior for the Security Forces Housing Project. An agreement has been concluded with the national factory for air conditioners, Riyadh, for Qualitair to supply components and technical support. Initial orders valued at £2m have been placed. First shipments are scheduled for July.

★

METRO-CAMMELL, the Birmingham train builder, has been awarded a contract worth around £4m by London Transport for the design and manufacture of six new battery locomotives for maintenance work on the London underground system. The locomotives, to be delivered in 1985, will feature new-style couplers, better braking, retractable buffers and an improved system of battery removal and charging. They will haul engineers' trains at night when the power is switched off and are a significant improvement on previous locomotives.

FT UNIT TRUST INFORMATION SERVICE

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

Deposit	114.8	120.9		
P Inv Dept	110.2	116.1		
Pension Funds				
UK Equity	97.2	102.4	−0.5	
Fixed Int	103.4	108.9		
Spec Sits	113.0	119.9	−0.2	
N America	108.5	114.3	−0.0	
Far East	108.4	112.0	−0.1	
Managed	105.1	110.7	−9.5	
Comm Propy	96.5	101.5		
Prime Rest	96.5	101.5		
Deposit	96.8	101.5		

Capital Unit prices available on request.

London Life Linked Assn Ltd

100 Temple St, Bristol BS1 6EA. 0272-279179

Equity	205.9	212.0		
Fixed Int	158.0	198.7		
Property	161.0	166.7		

INTERNATIONAL COMPANIES and FINANCE

Cost of sales network hits Ricoh

BY YOKO SHIBATA IN TOKYO

RICOH, Japan's leading paper copier and business machine manufacturer, experienced a fall in profits in the year to March because of the heavy cost of setting up its own sales network in the U.S. and Europe, and the development of the facilities required for the in-house production of semi-conductors.

Parent company operating profits were down by 4.4 per cent at Y16.2bn ($78m) on sales of Y326bn, up 10.7 per cent. Net profits were Y6.3bn, down 34 per cent.

The company set aside Y2.8bn to write off bad debts to its affiliate, Ricoh Watch, in which Ricoh has 41.3 per cent of stake. A further provision of Y770m was made against the fall in value of its shareholding in Ricoh Watch.

Profits per share for the year fell sharply to Y17.62, from Y29.67 previously. The company, however, raised its dividend by Y0.5, following the Y0.5 increase in the interim dividend, to pay Y10 for the year.

During the year, sales of copiers, representing 56.4 per cent of turnover, rose by only 3.6 per cent, affected by falling exports, down by 13.3 per cent, high overseas inventories and intensified price cutting competition. Sales of data processing and fascimile transmission machines grew by 40.8 per cent, with strong sales in both domestic (up 45.8 per cent) and overseas markets (up 33.6 per cent).

In the current year, ending March 31 1984 exports are expected to pick up, following the completion of inventory reductions of paper copiers overseas and exports of its own brand products. A sharp upturn of sales of personal computers and word processors are also expected with the introduction of new models in the second half of the year. Operating profits are projected at Y19.3bn, a 6.2 per cent rise. Net profits are expected to reach Y9.4bn, up by 50 per cent and sales Y370bn, an increase of 25.5 per cent.

Wheelock unit faces liquidity problems

By Our Financial Staff

WHEELOCK MARITIME INTERNATIONAL, the shipping subsidiary of Hong Kong's Wheelock Marden group, has reported a net loss for 1982 and said that the company is facing liquidity problems.

In the light of the HK$863,000 (U.S.$123,600) loss, which compares with a net profit of HK$85.7m in 1981, the company is to pass its final dividend. To assist with its liquidity difficulties, it is to seek a three-year HK$12m loan from another member of the Wheelock Marden group, Hongkong Realty and Trust.

In the course of 1982, Wheelock Maritime made an extraordinary gain of HK$15.8m on the sale of vessels. Not covered by these figures is a further gain from the sale of four more vessels. The company has also sold its insurance den group, Hongkong Reauty and Trust.

Wheelock Maritime has suffered badly from the recession affecting the world shipping industry and, in particular, from a sale and leaseback arrangement with the troubled Grand Marine Holdings.

Brown Boveri outlook bleak

BY JOHN WICKS IN ZURICH

BROWN BOVERI, the Swiss engineering group, does not expect profits to improve this year, despite rising sales.

There had been no signs of a recovery in capital goods demand, Mr Franz Luterbacher, chairman, said. Brown Boveri would have to do all in its power to cut costs and improve operating ratios.

Following a 2 per cent dip to SwFr 9.7bn ($4.7bn) in 1982, turnover for 1983 was expected to rise, although new-order inflow would probably remain at around last year's levels of SwFr 10.2bn, Mr Luterbacher said.

For 1982, shareholders received a 6 per cent dividend —down from 10 per cent in 1981—following a decline of more than a third to SwFr 28m in parent company net profits.

Cash-flow is seen as benefitting from a reduction in group losses in the U.S. this year. These were responsible for most of the SwFr 150m written off as extraordinary depreciation on foreign subsidiaries in the two past years.

Mr Luterbacher said that the "substantial" losses on U.S. operations, which he declined to specify, were the main reason for the company's proposed dividend cut for 1982.

With regard to Germany, Mr Luterbacher referred to "painful" financial measures in respect of the construction of the Muelheim-Kaerlich nuclear power station. Substantial costs have arisen in connection with delays on this project. Several hundred million marks have had to be set aside as loss provisions.

Capital spending which totalled SwFr 452m last year and is planned to remain at about this level in 1983, was aimed at rationalisation of production and increased use of data-processing systems.

Tax credits for Fiat and Alfa Romeo

BY JOHN PHILLIPS IN ROME

THE ITALIAN Government has decided to grant subsidies worth some L900bn ($630m) to Fiat and Alfa Romeo for investment in research and new technology.

Under the hand-out approved this week by the Interministerial Committee for Industrial Policy, a major arm of Italian state intervention in favour of ailing or promising concerns, the two companies will receive the money in the form of tax credits. Fiat is to receive L543bn while Alfa Romeo will benefit to a total value of L359bn.

Some observers saw the decision as political: with the run-up in the June elections now under way, Sig Cesare Romiti, Fiat's managing director has expressed his public displeasure at Italian politicians, hinting that the exigencies of economic policy were being left out of the political debate.

The Committee, which consists of Sig Amintore Fanfani, Prime Minister, and his Economic Ministers, also decided to distribute further funds to 11 other companies.

The pharmaceutical sector, including Farmitalia and Pierrel, was heavily represented in the group. Officials did not say how much those additional sums would be worth.

West LB encouraged by first quarter

By John Davies in Frankfurt

WESTDEUTSCHE Landesbank expects a further improvement in operating earnings this year after a strong recovery last year.

Herr Friedel Neuber, chief executive, said that the bank was encouraged in this view by better results in the first quarter of this year.

In this period, operating earnings of the Düsseldorf-based bank and its mortgage lending subsidiary, excluding trading activities, were 27.8 per cent above results in the same period last year.

During 1982, WestLB and its mortgage lending operation boosted operating earnings, excluding those from trading, by 170 per cent to DM 526m ($212m). Other earnings, including trading profits, rose 18 per cent to DM 627m.

Together with subsidiaries in West Germany and abroad, group operating earnings excluding trading were up 152 per cent in DM 612m and other earnings up 36 per cent to DM 732m.

After transfers to reserves and taxes, WestLB with its mortgage lending operation reported a 22 per cent lower financial surplus of DM 35m, although as a concern including subsidiaries it lifted its financial surplus 17 per cent to DM 83m.

Herr Neuber said that the group set aside DM 800m last year as provision for loan risks—twice as much as the previous year.

WestLB is omitting a dividend for the third consecutive year as part of a process of strengthening its financial position.

Herr Neuber said that WestLB was selective in its Eurocredit business last year, but international activities remained an important part of the bank's strategy.

Grace pays $140m for chemical units

BY WILLIAM HALL IN NEW YORK

W. R. GRACE, the U.S. specialty chemicals group, has agreed to buy two divisions of Diamond Shamrock's chemical business for more than $140m in cash. Diamond Shamrock, which has planned to sell its specialty chemical operations for some time, is concentrating its efforts in the oil and gas business.

It announced yesterday that it had agreed in principle to sell its process chemicals and metal coatings divisions which have combined sales of $173m. Aside from the U.S., the units operate in the UK, France, Norway and Japan.

The two divisions sell specialty chemicals for industrial applications, including defoamers, dispersants, emulsifiers and lubricants.

Diamond Shamrock, Shamrock's specialty chemicals operations, account for around 15 per cent of group revenues. The company has said on several occasions that it planned to sell these operations because the kinds of opportunities available in the chemicals business did not match those it saw in the oil and gas industries.

The companies being sold are operating profitably but Diamond Shamrock believes they do not have the required growth potential.

Volvo chief steps down in reshuffle of board

BY KEVIN DONE, NORDIC CORRESPONDENT, IN GOTHENBURG

MR ANDERS WALL, chairman of Volvo, Scandinavia's biggest corporation, is stepping down after less than three years. He will be replaced by Mr Pehr Gyllenhammar, managing director of the group since 1971.

The reshuffle at the top of Volvo is the culmination of two of the most dynamic and controversial years in the company's history, which have followed its SKr 1.8bn ($239.8m) takeover in late 1980 of Beijerinvest in which Mr Wall personally held a majority interest.

The merger virtually doubled Volvo's turnover, and took it into entirely new areas

Mr Wall remains the single largest private shareholder in Volvo with a stake worth around SKr 115m at current share prices. He will remain on the Volvo board and will retain the chairmanship of two majority owned subsidiaries.

A and A cuts workforce

BY OUR NEW YORK STAFF

THE WORLD'S second biggest insurance broker, Alexander and Alexander, has cut its U.S. workforce by 400, or 5 per cent, and has also cut the salaries of its top managers by between 10 per cent and 15 per cent.

The group has been adversely affected since it took over Alexander Howden, the UK insurance brokers, last year. The staff cuts and the reduction in salaries which cover a large part of the workforce is aimed at trimming the group's expenses significantly.

Mr John Borgadus, chairman and chief executive of Alexander and Alexander, told the annual meeting in New York on Thursday that the staff cuts resulted from a recognition "of our current circumstances."

Investor to get $4m in Florida bank deal

By Our New York Staff

SR JUAN PEREZ, the Venezuelan entrepreneur who has built up a significant stake in the Florida-based Flagship Banks group is to receive a $4m payment for his support of the $300m merger of Sun Banks and Flagship Banks.

Sr Perez, who has a 9.9 per cent stake in Flagship and an option to buy another 11.7 per cent, is believed to have made a profit of over $11m on his investment in Flagship.

Sun and flagship announced yesterday that they have signed an agreement with Sr Perez which provides, amongst other things, a single non-refundable payment of $4m. In return Sr Perez, who had earlier threatened to sue Flagship's board of directors if it did not agree to the merger with Sun banks, will support the merger plan and agree not to buy any shares in Sun Banks for 15 years.

Sun Banks acquisition of Flagship Banks will create Florida's biggest banking group with assets of more than $8bn.

Spanish textile group fails

By Our Financial Staff

THE CATALAN textile company, Hilados y Tejidos Puignero has applied for temporary receivership with debts of Pta 9.43bn ($68m).

Group sales in 1982 totalled Pta 11bn and the company exported goods worth Pta 1.3bn, mainly to European Community countries. The family company is the fifth largest textile company in Spain in terms of sales and has 1,700 employees.

● Agreement in principle between creditors on the debt problems of Union Explosivos Rio Tinto (ERT), the chemicals conglomerate, may be reached by the middle of next week.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Companies and Markets

LONDON STOCK EXCHANGE

MARKET REPORT

Wall St reversal affects equities and index backs away from 700 despite Dunlop and P & O's strength

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
May 9	May 19	May 20	May 31
May 23	June 2	June 3	June 13
June 6	June 16	June 17	June 27

* "New-time" Dealings may take place from 9.30 am two business days earlier.

London equity markets came off the boil yesterday after a week of trading featured by a marked upsurge in speculative activity. This has covered top name groups such as P & O, Dunlop and House of Fraser ranging to lesser known industrial and financial concerns, including First National Finance. The Financial Times Industrial Ordinary share index, as a result, this week moved close to the 700 mark before reacting yesterday.

Wall Street's overnight setback and Courtauld's early announcement of a £71m rights issue, which accompanied yesterday's preliminary figures, tended to dampen enthusiasm for equities on the last day of the trading Account. This week's star, **P & O Deferred**, were actively traded, but not on the scale witnessed earlier in the week after Trafalgar House disclosed its holding of a near-5 per cent in P & O. Hopes of a possible full scale bid were incited by the announcement and, despite end-Account profit-taking yesterday, P & O Deferred rose 222p before settling at 216p for a massive rise of 68 on the week.

Dunlop, also the subject of revived bid talk, possibly from the Far East, encountered heavy U.S. demand overnight and with the help of considerable "new-time" interest closed 14 higher at 77p. Other leading shares were marked lower at the outset, but after the market had absorbed a little end-Account selling quotations tended to edge off the lowest.

Measuring the trend, the FT Industrial Ordinary share index, down 10.2 at the first calculation, rallied well aided strongly by **Dunlop**. The rise in the latter supported the index to the extent of some 4 points and restricted the closing loss to only 3.2 at 695.2. On the week the index recorded a gain of 23.5, but genuine investment interest has remained at a low level.

Government stocks remained a backwater against a background of UK political uncertainties and current worries about transatlantic interest rates pending this week's U.S. money supply figures. Mediums and longs were usually around ¼ lower, while short-dated issues recorded falls to ⅛ and occasionally more. Monday's call of £371m on Exchequer 10¼ per cent Convertible was another inhibiting factor.

FNFC dip and rally

A strong market throughout the week on rumours of a pending bid of around 70p per share, **First National Finance Corporation** eased to 59p on light profit-taking before rallying "after-hours" to close ½ harder and 12 better on the week at 60½p. Elsewhere in a lethargic banking sector, **Henry Ansbacher** revived with an improvement of 3 to 80p, while **Baltic Leasing** hardened a penny to 248p, after 250p, in response to Press comment.

Micro Focus, which made an impressive start in the Unlisted Securities Market earlier in the week, encountered renewed demand and rose 16 to 288p which compares with the minimum tender price of 155 and the striking price of 240p. **Chemical Methods**, however, shed 7 to 103p and now stands at a 15p discount to the offer price of 115p.

Buildings generally ended the Account on a quiet note with interest confined to a handful of issues. Recently neglected **AMEC** attracted revived support and, with stock in short supply, rose 7 to 219p. **Travis and Arnold** also firmed 7 to 332p, while buying ahead of the preliminary figures, due at the end of the month, lifted **UBM** 5 to 85p. **Ruberoid**, which recently announced share exchange terms for Camrex, gained 18 to 290p; the latter firmed 3 to 66p. Late speculative interest lifted **Allied Plant** ½ to 9½, but **M. J. Gleeson**, in which G. M. Firth recently raised its stake to 6 per cent, eased 4 to 208p. **Marchwiel** came under pressure on vague talk concerning a contract and shed 7 to 194p.

ICI opened a few pence lower reflecting Wall Street's overnight setback and fluctuated narrowly before closing 4 down, but still 20 up on the week, at 470p. **Anchor Chemical** firmed 3 to 83p following news that Leski Inc had increased its stake in the company to 20 per cent.

Frasers rise afresh

Proceedings among leading Stores were again enlivened by **House of Fraser**, which attracted increased speculative demand ahead of the confrontation with Lonrho over the demerger of Harrods, and closed 14 better for a gain on the week of 35 at 222p; the shareholders meeting is scheduled for the end of the month. Lonrho eased a couple of pence to 90p. Preliminary profits from **Debenhams** fell in line with market expectations and the shares, down to 132p earlier, rallied to close unchanged at 135p. Other major Retailers remained dull with falls of around 4 common to W. H. Smith A, 230p, Marks and Spencer, 199p, and Woolworth, 248p. **J. Hepworth** met useful support after-hours and improved 8 to 163p, while **House of Lerose** added 5 for a two-day gain of 11 to 160p.

The Electrical majors succumbed to end-Account profit-taking. Plessey, firm throughout the week on good domestic and U.S. buying ahead of next Thursday's preliminary results, reacted 7 but still recorded a rise over the period of 23 at 640p. **Thorn EMI** came on offer at 515p, down 13, while **GEC** lost 7 to 215p and **Racal** 9 to 488p. **BICC**, still unsettled by the chairman's profits warning, declined a few pence more to 230p. Elsewhere, **H.B. Electronics** jumped 7 to 90p in response to an investment recommendation, while **ICL** gained 4 to 72p ahead of Tuesday's interim figures. **Sound Diffusion** lacked support and dropped to 196p before rallying to close only 4 lower on the day at 206p.

Westland featured Engineerings, rising 12 to 137p following revived demand fuelled by talk of a lucrative contract. **Ash and Lacy** put on 10 to 490p and **Haden** gained 11 to 273p. **Whessoe**, at 122p, however, lost 8 more for a decline of 20 since Tuesday when Costain announced that it had placed its entire 14.73 per cent stake in the company at around 134p per share with various institutions. **Blackwood Hodge** and **Capper Neill** lost 2 and 3 respectively to the common level of 20p.

Fresh buying ahead of next Tuesday's preliminary results lifted **J. Sainsbury** 7 for a two-day gain of 16 to 392p. **Tate and Lyle** gained 10 more to 344p ahead of interim figures due later this month. Following the profits forecast contained in the circular giving details of the agreement for purchase of Key Markets from Fitch Lovell, **Linfood** put on 12 to 296p. Elsewhere in the Food sector, speculative counter **Bio-Isolates** shed 17 to 170p.

Kennedy Brookes continued to attract support in Hotels and Caterers and rose 8 for a two-day gain of 23 to 238p.

London & Northern up

London and Northern attracted good buying interest ahead of Wednesday's preliminary results and closed 7 up and 12 higher on the week at 80p. Elsewhere in miscellaneous industrials, **Avon Rubber**, with interim figures scheduled for the same day, improved 5 to 113p. **Steetley**, which dropped sharply last week on the referral of Hepworth Ceramic's bid to the Monopolies Commission, rebounded 11 to 197p on hopes that the offer will receive an early clearance. News that Mr S. J. Wootliff had reduced his holding in the company to just under 16 per cent left **Unigroup** 4 better at 72p, while **United Guarantee** firmed 3 afresh to 32p on revived speculative buying. **Polly Peck** touched £15 after comment on the interim figures before closing unaltered at £16 but the two associated concerns, **Wearwell** and **Cornell** eased 5 apiece to 57p and 118p respectively. The highly volatile **London and Liverpool Trust** succumbed to fresh nervous offerings and closed 18 lower and 78 down on the week at 152p; the company announced on Thursday that it is taking libel proceedings against the Sunday Times for remarks made about its Telejector subsidiary. **Redfearn National Glass** lost 10 more to 90p, sentiment still depressed by the poor interim results. Among the quietly dull leaders, **Boots** cheapened 5 to 229p ahead of Wednesday's results, while **Unilever** declined 20 more making a decline of 55 at 700p since the disappointing first-quarter results. **Beecham** lost 8 to 387p and **Glaxo** 5 to 870p after 860p.

Trident TV "A" reacted to 76p before closing a net 7 down at 79p reflecting news that Pleasurama's bid for the company had been referred to the Monopolies Commission. **Pleasurama** firmed 7 to 302p, but **Grand Metropolitan**, which recently failed to reach agreement with the former concerning the reorganisation of their respective shareholdings in the Ritz and Casanova casinos, shed 5 to 335p.

Hopes of some new initiative from Pegi Malaysia prompted an active "new-time" business in Dunlop. Helped additionally by further support after the official close, mainly from American sources, Dunlop closed 14 higher to record a two-day gain of 21 at 77p.

Publishers **Benn Brothers** reacted on end-Account profit-taking and finished 19 down at 208p; **Extel**, whose offer for Benn is set to succeed following the withdrawal of rival-bidder United Newspapers, eased 4 to 303p thereby valuing each Benn at around 224p. **John Waddington**, currently fighting an offer from Norton Opax, eased 6 in the absence of a counter-bid but still retained a gain on the week of 82 at 180p. **Carlton Communications** continued to respond to steady demand in a limited market and spurted 13 to record a two-day gain of 30 at 253p.

Properties, given a boost on Thursday by Land Securities' preliminary results and property revaluation, turned easier after comment on the figures. **Land Securities**, at 315p, shed 3 of Thursday's gain of 11, while **MEPC**, a steadily improving market recently, also lost 3 to 225p. Elsewhere, **Property Holding and Investment** and **Property and Reversionary** shed 6 apiece to the common price of 144p. **Mountleigh**, firm of late on its U.S. Air Force leasing agreement, came back 10 to 200p, while **North British Properties** succumbed to profit-taking and shed 3 to 117p. But revived speculative buying in a market short of stock lifted **Country and New Town** 5 to 68p. **McInerney** firmed 2 to 48p, after 50p, following the preliminary results. A broker's downgraded profit forecast left **Hong Kong Land** 3 lower at 33p.

Continuing speculation about a bid from Trafalgar House resulted in another volatile business in **P and O Deferred**. Initially easier at 204p on profit-taking, P and O attracted strong support at the lower levels and advanced steadily to 222p before settling a net 2 dearer at 216p, a gain of 68 in the past week. **Trafalgar House** were unchanged at 169p. **Ocean Transport** again attracted speculative support and closed 7 dearer at 116p, after 120p, while **Hunting Gibson** added 3 more to 102p.

A relatively firm market in recent weeks, **Courtaulds** dipped 6 to 96p following the £71m rights issue which accompanied the annual results. Elsewhere in subdued Textiles, speculative support lifted **Harold Ingram** 4 to 45p, while **John Crowther**, 33p, firmed a couple of pence in the wake of the annual report.

Oils drift

Given a fillip on Thursday by Shell's better-than-expected first-quarter figures, Oils drifted back in the absence of further interest. **Shell**, at 502p, gave up 2 of the previous day's gain of 12, while **British Petroleum** shed 6 to 380p. **Ultramar** lost 10 to 545p. Elsewhere, **Jackson Exploration** encountered support in front of next Monday's annual meeting and rose 8 to 270p.

Golds lower

Mining markets ended a generally subdued week on a quiet note.

South African Golds fell sharply at the outset, following persistent Johannesburg selling, but staged a modest rally as the bullion price recovered from an easier opening to close a dollar off on balance at $439.5.

However, the late rally failed to prevent a 15.3 decline to 665.5 in the FT Gold Mines index, leaving this measure around 6 points lower over the five-day period.

Heavyweights were the major casualties in the share market, falls of up to £1¼ being common to **Kloof**, £33¾, **Western Deep**, £40¾, **President Brand**, £32 and **Western Holdings**, £34¼.

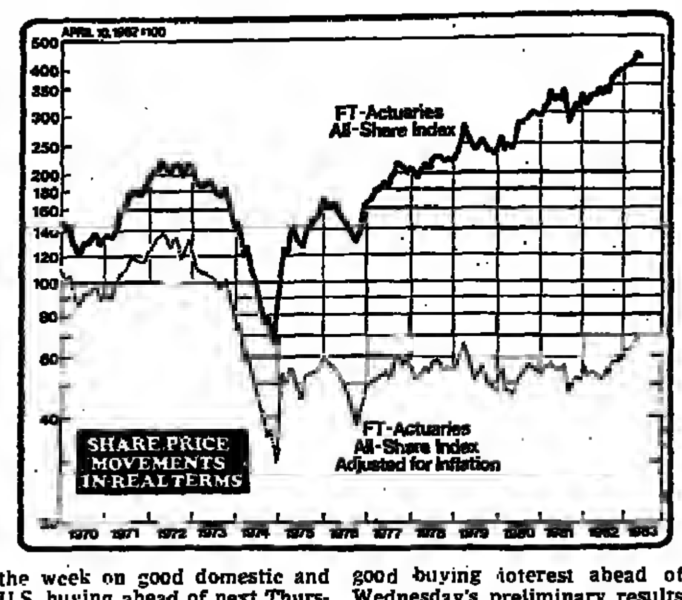
Cheaper-priced issues were highlighted by **South African Land**, 21 down at 545p, and **Deelkraal**, which dipped 14 to 282p.

London Financials made further progress, especially **Charter** which added 3 more to 263p—a week's gain of 15—and **Gold Fields**, 2 harder at a year's best of 575p. Persistent demand left **Hampton Areas** 6 firmer at 190p. **RTZ** were the lone weak spot in the sector, losing 3 at 585p, reflecting the easier trend in UK equities.

A sharp overnight fall on Wall Street failed to unnerve Australians which closed with relatively small changes either way following the domestic mini-budget on Thursday.

Elsewhere, Canada's recent high-flyer **Sabina Industries** touched 185p prior to closing a net 10 firmer at 180p on further consideration of the farm-out agreement with Brunswick Mining and Smelting. Speculative buying lifted **Anglo United Development** 3 to 83p.

In contrast to the exceptional level of demand seen earlier in the week reflecting election hedging, activity in Traded Options reverted to more normal levels yesterday when total contracts amounted to 2,524. The week's total of 32,469, however, easily exceeded the previous record of 19,629 established in mid-April. P and O remained to the fore with 578 calls and 246 puts struck with the August 200 puts rising 7 to 15p. Following the annual results and surprise rights issue, Courtaulds recorded 277 calls and 51 puts with the July 100 puts firming 4 to 9p.



FINANCIAL TIMES STOCK INDICES

	May 20	May 19	May 18	May 17	May 16	May 13	Year ago
Government Secs.	80.07	80.67	80.61	80.59	80.61	80.09	68.17
Fixed Interest	82.87	82.96	83.00	83.03	82.87	82.91	69.10
Industrial Ord.	695.2	698.4	689.8	676.0	671.1	671.7	560.6
Gold Mines	665.5	680.8	684.4	681.1	677.8	670.4	349.0
Ord. Div. Yield	4.56	4.52	4.56	4.64	4.67	4.66	5.58
Earnings, Yld.% (full)	8.06	8.88	8.94	9.15	9.17	9.18	11.82
P/E Ratio (net) (*)	10.85	15.08	15.89	15.50	13.53	13.52	10.60
Total bargains	20,070	18,107	19,246	16,602	15,646	14,045	16,950
Equity turnover £m.	—	281.87	220.38	246.39	169.54	181.15	90.96
Equity bargains	—	19,223	16,119	15,817	15,013	14,488	9,868
Shares traded (ml)	—	173.7	184.2	150.7	101.8	105.9	55.9

10 am 688.2. 11 am 690.7. Noon 692.0. 1 pm 690.7. 2 pm 690.4. 3 pm 692.3.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.97.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.75 (11/4)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.36 (18/4)	70.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	699.0 (27/4)	598.4 (12/1)	699.0 (27/4/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.6 (25/5)	734.7 (15/2/83)	43.0 (26/10/71)

S.E. ACTIVITY

	May 19	May 18
Daily Gilt Edged Bargains	133.9	[illegible]
Equities Bargains	184.5	104.9
Equities Value	560.7	456.6
5-day Avrge Gilt Edged Bargains	143.3	144.6
Equities Bargains	105.2	[illegible]
Equities Value	446.6	400.7

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982, based on Thursday, May 19, 1983.

Shipping and Transport	+38.29	Property	+13.58
Motors	+31.44	Other Consumer	+12.81
Newspapers, Publishing	+26.63	All-Share Index	+11.96
Other Industrial Materials	+25.31	Packaging and Paper	+11.32
Health and H'sehold Products	+24.74	500-Share Index	+10.72
Chemicals	+24.51	Mechanical Engineering	+10.16
Oils	+23.90	Insurance (Life)	+10.02
Mining Finance	+23.64	Capital Goods	+8.46
Metals and Metal Forming	+23.22	Industrial Group	+7.98
Office Equipment	+23.21	Merchant Banks	+5.91
Banks	+22.86	Building Materials	+5.50
Gold Mines Index	+22.34	Consumer Group	+5.13
Insurance (Composite)	+20.65	Electricals	+4.52
Textiles	+19.38	Contracting, Construction	+1.87
Other Groups	+18.60	Brewers and Distillers	+1.19
Financial Group	+17.56	Food Manufacturing	+0.23
Insurance Brokers	+15.84	Food Retailing	−1.17
Investment Trusts	+15.37	Tobaccos	−1.88
Leisure	+15.01	Discount Houses	−2.11
Engineering Contractors	+14.19	Stores	−2.41
Overseas Traders	+13.73		

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
May 16	May 27	Aug 11	Aug 22
May 31	June 10	Sept 1	Sept 12
June 13	June 24	Sept 15	Sept 26

For rate indications see end of Share Information Service

Stocks favoured for the call included Grattan, Beecham, Burco Dean, ICL, Tace, W. E. Norton, Scottish and Newcastle, Australian Consolidated Minerals, AE, Fleet Holdings, Leigh Interests, Dunlop, Huntleigh, P & O Deferred, United Guarantee, Falcon Mines, Diamond Stylus, Debenhams and London and Liverpool. Puts were done in Dunlop and Cons Gold Fields, while a double was taken out in Racal.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	3	58	38	126	136	233
Corpns. Dom. and Foreign Bonds	—	8	72	30	45	325
Industrials	209	340	793	1,173	1,208	4,329
Financial and Props.	69	139	312	556	407	1,640
Oils	12	34	65	101	106	348
Plantations	—	8	14	13	26	71
Mines	12	72	72	211	196	373
Others	18	90	66	241	309	307
Totals	324	749	1,432	2,450	2,433	7,626

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri May 20 1983 Index No.	Day's Change %	Thur May 19	Wed May 18	Tue May 17	Mon May 16	Year ago (approx.)
1 CAPITAL GOODS (206)	462.18	−0.8	465.73	462.44	456.93	453.77	377.11
2 Building Materials (23)	424.86	+0.1	424.46	422.93	418.74	417.57	329.32
3 Contracting, Construction (30)	747.81	+0.3	745.75	745.14	741.66	751.00	601.65
4 Electricals (33)	1741.66	−1.9	1774.75	1756.52	1728.90	1709.06	1365.54
5 Engineering Contractors (10)	689.67	−0.6	692.40	690.26	686.26	486.52	472.11
...							
99 ALL-SHARE INDEX (750)	424.88	−0.7	427.95	424.55	419.92	419.15	325.11

FIXED INTEREST

AVERAGE GROSS REDEMPTION YIELDS

RECENT ISSUES
EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (52)

BANKS (2)

First Nat. Fin. — Sec. Pacific Corp.

TRUSTS (7)

Camellia Invs. — London Merchant
F. & C. Eurotrust — Do. Defd.
New Tokyo Inv. — Mexico Fund

NEW LOWS (46)

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
BP	380	−6	P&O Defd.	216	+2
Dunlop	77	+14	Shell Transport	502	−2
Grand Met.	334	−5	Sound Diff.	206	−4
Hampton Areas	190	+6	Steetley	197	+11
ICI	470	−4	Tate & Lyle	344	+10
Ocean Transport	116	+7	Trident TV A	79	−7

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Lond & Liv Tst	45	170	+8	Tilling (T.)	17	231	+1
P&O Defd.	40	214	+24	Dunlop	15	63	+7
First Nat. Fin.	24	60	+4½	Sound Diffusion	10	210	−8
Jackson Expl.	23	262	+2	BICC	15	233	−7
Ocean Transpt	18	109	+12	Trafalgar House	15	169	−3
RTZ	17	588	+11	BAT Inds.	14	615	+5
Sainsbury (J.)	17	387	+9	House of Fraser	14	208	+10

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Lond & Liv Tst	147	170	−60	GEC	76	222	+8
Glaxo	145	875	+75	Shell Transport	74	504	+20
P&O Defd.	113	214	+68	BAT Inds.	73	610	—
Racal	98	497	+30	First Nat. Fin.	71	60	+11
Plessey	85	647	+42	Waddington, J.	68	186	+90
Beecham	78	395	+25	RTZ	69	588	+25
Tilling (T.)	77	231	+27	Unilever	65	720	−35

هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	62.9	66.2	.....	—

London Indemnity & Gnl. Ins. Co. Ltd.
18-20, The Forbury, Reading 583511.

Money Mngr April 29	58.2	62.3	.....	—
MM Flexible April 6	50.3	53.0	.....	—
Fixed Interest April 29	53.4	56.3	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund	283.7	.....	—
Property Fund (A)	276.3	.....	—
Agricultural Fund	1081.5	.....	—
Agric. Fund (A)	1054.1	.....	—
Abbey Nat. Fund	224.9	.....	—
Abbey Nat. Fd. (A)	224.0	.....	—
Investment Fund	132.5	.....	—
Investment Fund (A)	130.3	.....	—
Equity Fund	388.0	-2.1	—
Equity Fund (A)	381.0	-2.1	—
Money Fund	210.0	+0.2	—
Money Fund (A)	206.3	+0.2	—
Actuarial Fund	210.9	.....	—
Gilt-edged Fund	184.4	.....	—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552.

Managed	192.9	[illegible]	-0.3	—
Property	193.2	[illegible]	.....	—
Equity	219.4	[illegible]	-0.1	—
International	207.1	[illegible]	-1.0	—
Fixed Interest	160.3	[illegible]	-0.1	—
Index Linked	100.1	[illegible]	-0.5	—
Cash	127.8	[illegible]	.....	—
Pension Managed	221.5	[illegible]	-0.6	—
Pension Property	145.7	153.4	.....	—
Pension Equity	252.1	[illegible]	-0.9	—
Pension Intl.	247.9	261.0	-1.0	—
Pension Fxd. Int.	166.5	175.3	-0.1	—
Pension Index Linked	100.1	105.5	-0.5	—
Pension Cash	142.2	149.7	.....	—

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigilt Trust	46.3	47.2	-0.2	11.30
Unidollar Trust	$15.67	16.79	.....	2.03
Unibond Trust	$88.13	86.90	.....	13.60

1, Thomas St., Douglas, Isle of Man. 0624 25252.

Uni-Australian Tst.	67.6	72.7	.....	1.70
Uni-Aust. Mineral Tst.	56.9	61.22	.....	2.80
Uni-Pacific Trust	142.2	153.5	.....	—
Uni-International Tst.	65.8	70.8	.....	1.50

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC** May 3	$61.15	65.02	.....	—
COUNT** May 3	£3.709	3.934	.....	1.33
CANRHO** May 3	£2.205	2.336	.....	—

OFFSHORE AND OVERSEAS

NOTES

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99⅞	98⅞	Treasury 9¼pc '83	99⅞	......	9.27	10.28
102¼	100⅜	Exch. 13½pc '83	101⅞xd	−1/32	13.29	10.12
100⅛	98⅞	Exch. 10pc 1983	100xd	......	10.00	10.03
97⅞	96¼	Funding 5½pc '82-84‡‡	97⅞	......	5.65	10.02
101¼	99½	Exch. 11¼pc 1984	100⅝	−1/16	11.18	10.27
104⅜	102½	Exchequer 14pc 1984	103⅞xd	−1/16	13.53	10.26
95¼	92½	Exch. 3pc 1984	95¼xd	......	3.15	7.69
102⅞	100⅛	Treasury 12pc 1984	102⅛	−⅛	11.75	10.18
107⅞	105⅜	Treasury 15pc 1985	106¾	−⅛	14.05	10.62
107	101⅞	Exch. 12pc Cnv. '85	103⅝	−⅛	11.58	9.73
90⅞	88⅝	Treasury 3pc 1985	90⅞xd	+1/16	3.31	8.03
102⅜	99⅝	Treasury 11½pc 1985	101¼	−1/16	11.35	10.81
102	95	Treas 8¾pc Cnv '85	96¾	......	9.04	10.33
103⅝	100⅛	Exch. 12¼pc 1985	102⅞xd	−1/16	11.90	10.83
102⅜	99⅜	Exch. 11¾pc '86	101⅞	−1/16	11.53	10.91
88½	85⅝	Treasury 3pc 1986	86⅞xd	−1/16	3.45	8.02
67⅞	66	Exch. 10½pc Cv. '86 (£65pd)	66¼	−⅛	10.50	10.49
103⅞	100⅞	Treasury 12pc '86	102⅞xd	−¼	11.68	10.94
97½	94⅜	Treasury 8¼pc '84-86‡‡	95¼	−⅛	8.92	10.31
112¼	103¼	Treas. 12¼pc '86 Cnv.	109	−⅜	11.24	8.59
109⅜	105½	Exch. 14pc 1986	108	−1/16	12.96	11.12
107⅛	103⅝	Exch. 13¼pc 1987	106⅛	−1/16	12.49	11.16
84⅜	81⅜	Exchequer 2½pc 1987	81⅞	−1/16	3.07	8.43
100⅛	95¼	Exch. 10½pc 1987	98⅜	−¼	10.68	11.02
99⅛	97¼	Exch. 10½pc 1987A	98⅛	−¼	10.69	11.06
93¼	89¼	Funding 6½pc '85-87‡‡	89¼	−⅛	7.28	9.84
81⅞	81⅛	Treasury 3pc 1987	81⅞	−1/16	3.70	8.48
104⅝	99⅞	Treas 12pc 1987	102⅜	−⅛	11.70	11.23
93¼	89½	Treasury 7¾pc '85-88‡‡	90⅝	−1/16	8.56	10.39
101½	95½	Exch 10½pc '88	97⅝	−⅛	10.75	11.12

Five to Fifteen Years

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
81½	75¾	Transport 3pc '78-88	78⅛	−⅛	3.89	8.61
96½	90¾	Treas. 9½pc '88	94	......	10.19	11.17
104⅝	95¾	Treasury 11½pc 1989	102	......	11.60	11.69
60⅞	59¼	Treas. 10½pc '89 (£60pd)	59⅞	......	11.05	11.65
83¼	77½	Treasury 5pc '86-89	78¼	......	6.43	9.76
111⅞	103	Treasury 13pc 1990‡‡	110½	......	12.27	11.68
108¼	101¼	Exch. 12½pc 1990	105⅝	......	12.08	11.72
92	86¼	Treasury 8¼pc '87-90‡‡	87⅞xd	......	9.39	10.74
105¼	97	Treasury 11¾pc 1991	104½	......	11.72	11.69
83	75¾	Funding 5¾pc '87-91‡‡	77¼	−⅛	7.52	10.15
103	95⅞	Exch. 11pc 1991	98½	−⅛	11.26	11.43
111¾	102	Treasury 12¾pc '92‡‡	110⅝	......	11.98	11.59
98¾	88¼	Treasury 10pc 1992	96	......	10.69	11.17
108¾	98½	Exch. 12¼pc '92	106¼	−⅛	11.86	11.65
115⅛	107¼	Exchequer 13½pc '92	111⅞	−⅛	12.32	11.76
111¾	101¼	Treasury 12½pc '93‡‡	110¼	−⅛	11.81	11.51
79⅞	72¼	Funding 6pc 1993‡‡	75¼	−⅛	8.10	10.08
120¼	110½	Treasury 13¾pc 1993‡‡	113¾xd	−⅛	12.13	11.51
124	112⅝	Treasury 14½pc '94‡‡	121⅜	......	12.28	11.51
117⅝	109⅛	Exchequer 13½pc 1994	112½	......	12.10	11.60
111¼	100½	Exch. 12½pc 1994	109⅛	−⅛	11.79	11.52
94⅜	86¼	Treasury 9pc '94‡‡	89¾	......	10.04	10.58
109	98	Treasury 12pc '95	107⅜	−⅛	11.60	11.44
64¼	61½	Gas 3pc '90/95	62⅝	−⅛	4.80	7.87
99	88¼	Exch. 10¼pc 1995	97⅝	......	10.85	11.09
116¼	106½	Treasury 12¾pc '95‡‡	109¾	−⅛	11.65	11.31
122¾	110	Treas. 14pc '96	120⅞	......	12.05	11.52
92¾	83¾	Treasury 9pc '92/96‡‡	90⅝	−⅛	10.12	10.59
132⅜	121¾	Treasury 15¼pc '96‡‡	125¾	−¼	12.21	11.49
121⅛	109¾	Exchequer 13¼pc '96‡‡	113½	−⅛	11.70	11.28
61⅞	58	Redemption 3pc 1986-96	60¼	......	11.70	7.93
120	107	Treasury 13¼pc '97‡‡	118	......	11.66	11.27
101½	89½	Exchequer 10½pc 1997	99¼	......	10.87	10.97
90¼	80½	Treasury 8¾pc 1997‡‡	88¼	−⅛	10.14	10.63
131½	120¼	Exch. 15pc 1997	125½	......	12.05	11.49
78⅜	69½	Treasury 6¾pc '95-98‡‡	73⅞	......	9.19	10.25

Over Fifteen Years

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
135⅞	124¼	Treas. 15½pc '98‡‡	131⅛	......	12.01	11.42
114½	101	Exch. 12pc 1998	106¼xd	−⅛	11.32	11.17
96½	86¼	Treasury 9½pc 1999‡‡	94⅞	......	10.38	10.61
112½	103¾	Exch. 12¼pc 1999	109⅞	−⅛	11.35	11.16
104⅜	92¼	Treasury 10½pc 1999	97⅝xd	−⅛	10.77	10.83
121⅜	106	Treas. 13pc 2000	118½	−⅛	11.41	11.16
128⅞	113¾	Treas. 14pc '98-01	119¼xd	−⅛	11.74	11.31
114	99¼	Exch. 12pc '99-02	110⅜	−⅛	11.24	11.07
126¾	111	Treas. 13¾pc 2000-03	123¼	−⅛	11.53	11.19
110⅝	99¾	Treasury 11½pc '01-04	107¼	−⅛	10.88	10.76
49¼	43½	Funding 3½pc '99-04	48¼	......	7.44	9.25
122¼	106½	Treasury 12½pc '03-05	113½xd	+⅛	11.02	10.85
83¾	77¼	Treasury 8pc '02-06‡‡	82¼	......	9.85	10.11
114¼	99	Treasury 11¾pc 03-07	111¼	−⅛	10.94	10.83
125¾	115	Treas. 13½pc '04-08	123¾	......	11.15	10.90
62⅞	53¾	Treasury 5½pc '08-12‡‡	60½	+⅛	9.26	9.69
83⅛	71⅞	Treasury 7¾pc '12-15‡‡	81¼	......	9.84	9.96
122	106¼	Exch. 12pc '13-'17	114½xd	−⅛	10.46	10.39

Undated

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
40½	35¼	Consols 4pc	39⅝	......	10.41	—
37½	31¼	War Loan 3½pc‡‡	34½xd	......	10.12	—
41⅝	37½	Conv. 3½pc '61 Aft.	41	......	8.64	—
30¾	28¼	Treasury 3pc 66 Aft.	30	......	10.33	—
25¼	22¾	Consols 2½pc	24½	......	10.34	—
25	22⅞	Treasury 2½pc	24¼	......	10.46	—

Index-Linked

1983 High	Low	Stock	Price £	+ or −	(1)	(2)
106	101¾	Treas. 2pc I.L. '88	101¾	−¼	2.54	2.91
111⅛	106¾	Do. 2pc I.L. '96	106¾	−¼	2.74	2.87
40⅛	39¼	Do. 2½pc I.L. '99 (£40pd)	39¼	−¼	2.48	2.59
103⅞	99	Do. 2½pc I.L. 2001	99	−½	2.62	2.74
104	97¼	Do. 2½pc I.L. 2003	98¼xd	−¼	2.60	2.71
107½	102	Do. 2pc I.L. 2006	103¼	−¼	2.54	2.63
104½	98	Do. 2½pc I.L. 2009	98½xd	−¼	2.57	2.66
109½	105	Do. 2½pc I.L. 2011	105¼	−¼	2.54	2.62
100¼	96⅛	Do. 2½pc I.L. 2016	96⅛	−⅛	2.54	2.61

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
115½	102½	Australia 13½pc 2010	114½	−¼	12.24	12.19
120	85	Euro Inv Bk 11pc Ln 2002	94¾	−¼	11.84	11.94
107¼	103½	Finland 14½pc Ln 1986	107¼	......	13.52	11.50
30¾	20½	Int-Am Dev Bk 12¼pc 2003	29¾	......	12.79	12.88
106½	102½	Int. Bank 13½pc 1986	105¼xd	......	12.83	11.34
108¾	104¾	Do. 14pc Ln 1987	107¼	......	12.99	11.43
91	77¾	Mex 16½pc 2008	91	......	18.88	20.44
109¼	104¾	N.Z. 14¼pc 1987	107½	−¼	13.26	11.87
105¼	101½	Sweden 13½pc 1986	104¾	......	12.89	11.43
36	23½	Do. 13½pc Ln 2010	34⅝	......	12.86	12.81

CORPORATION LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100¼	97	Bath 11¼pc 1985	100	......	11.25	11.21
102¾	99¼	Birm'ham 12½pc 1985	102¼	......	12.23	11.20
105¼	101½	Burnley 13pc 1987	104	−⅝	12.50	11.72
99½	95½	Cardiff 11pc 1986	99	......	11.11	11.34
102½	101	G.L.C. 13¼pc 1984	101¾	......	13.02	10.70
78¾	70½	Do. 6¾pc 90-92	76½	−¼	9.02	11.35
86	82¾	Herts 6¾pc 1985-87	85½	......	7.88	11.10
116	107½	Leeds 13½pc 2006	113½	......	12.07	11.97
99⅝	97	Liverpool 9¾pc '80-84	99¼	......	9.81	10.39
30	27½	Do. 3½pc Irred.	29¼	......	12.29	—
102	100½	Lon. Corp. 13¼pc '83	101¼	......	13.09	10.50
97¼	93¾	Do. 9¼pc '84-85	96¼	......	9.60	11.06
94⅜	81¼	LCC 5½pc '82-84	94⅜	......	5.83	10.74
83	78¾	Do. 5½pc '85-87	82½	......	6.67	10.92
81	75½	Do 6¾pc '88-90	78¼	−⅛	8.89	11.82
25¼	23¼	Do. 3pc '20 Aft.	25¼xd	......	12.00	—
102¼	100	Sunderland 12¼pc 1984	102	......	12.01	10.80

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99½	94¼	Aust. 6pc 1981-83	97¼xd	......	6.16	10.77
78½	74¼	N.Z. 7¼pc 1988-92	77¼	......	9.66	11.89
92¼	88¾	Do. 7½pc '83-86	89xd	......	8.37	11.60
168	158	S. Rhod. 2½pc Non-Ass.	168	......	—	—
80	74	Do. 3½pc 80-85 Assd.	80	......	4.40	13.65
54	44	Do. 4½pc 87-92 Assd.	50	......	9.17	14.61
390	321	Zimbabwe Ann (£100pd)	362	......	—	15.84

LOANS

Public Board and Ind.

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
77½	72½	Agric. Mt. 5pc '59-89	75½	−½	6.79	11.02
34¾	31¼	Met. Wtr. 3pc 'B'	34¼	−¼	8.92	11.63

LOANS—Continued

Financial

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102½	101½	FFI 14pc '83	101¾	......	13.76	10.83
95¼	92	FFI UK Fn 6½pc Db '81-84	95xd	......	6.72	11.45
102	96½	Do. 10¾pc Uns.Ln. '86	101	......	10.80	11.75
103	96½	Do. 11pc Uns.Ln. '88	102½	......	11.17	11.30
104	97½	Do. 11¾pc Uns.Ln. '90	103½	......	11.85	11.15
105½	91½	Do. 12½pc Uns. Ln. 1992	104	......	12.27	12.15
78¾	74½	Do. 7¼pc A Deb '89-92	78¼	......	9.70	11.45
76½	70½	Do. 7¼pc A Deb '91-94	74	......	10.04	11.70
86½	01	Do. 9pc 'A' '91-94	84	......	10.94	11.90
85	72⅞	Do. 8⅞pc Ln. '92-97	83	......	11.06	11.65

Building Societies

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101¼	100	Nat'wide 13⅞pc 23.5.83	100xd	......	—	—
101⅛	100¼	Do. 13⅞pc 13.6.83	100¼xd	......	13.98	11.34
101½	100¼	Do. 14pc 4.7.83	100¼	......	13.97	11.45
101⅜	100⅛	Do. 13¼pc 25.7.83	100⅛	......	13.08	10.74
100½	100	Do. 11⅞pc 15.8.83	100	......	11.88	11.70
100¼	98⅞	Do. 13¼pc 30.8.83	100	......	11.25	11.01
100⅜	99¼	Do. 11⅜pc 3.10.83	100¼	......	11.35	10.35
99¾	98	Do. 9⅞pc 31.10.83	99⅝	......	9.98	10.72
99¾	98	Do. 9⅞pc 28.11.83	99⅝xd	......	9.91	10.56
100½	99⅜	Do. 11¼pc 19.12.83	100⅜xd	......	11.21	10.60
100⅜	99	Do. 11⅞pc 23.1.84	100⅜	......	11.80	10.92
100⅞	100	Do. 11⅞pc 13.2.84	100¾	......	11.79	10.81
100⅝	99	Do. 11¼pc 19/3/84	100¼	......	11.22	10.4
100⅝	100⅛	Do. 11¼pc 9/4/84	100⅝	......	11.18	10.55

FOREIGN BONDS & RAILS

1983 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
12	8	Chinese 4½pc 1898	10	......	—	—
11	10	Do. 5pc 1912	10	......	—	—
11	0	Do. 5pc 1913	8	......	—	—
0	5½	Do. 5pc '25 Boxer	7½	......	—	—
46	40	Greek 7pc Ass.	46xd	......	3½	7.61
44	41	Do. 6pc 28 Stb. Ass.	44	......	3	6.94
42	38	Do 4pc Mixed Ass.	42	......	2	4.84
34	27	Hung. '24 Ass.	33xd	......	2¼	8.33
120	102½	Hydro Quebec 15pc Ln 2011	112½xd	......	15	13.19
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS, H.P. & LEASING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, Leasing, etc.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BEERS, WINES AND SPIRITS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DRAPERY AND STORES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING MACHINE TOOLS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES, ETC.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOTELS AND CATERERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS (Miscel.)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS-Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

90	34	Anglo-Dominion	63	......	—	—	—
90	54	Anglo Utd. Dev.	83	+3	—	—	—
135	60	Colbe Res Corp.	85	......	—	—	—
485	315	Cons. Murch 10c.	440	......	†060c	1.9	‡
5½	3	Explaura Gold	3	......	—	—	—
155	103	Highwood Res	120	......	—	—	—
£21¼	£18	Homestake Mng $1	£19½xd	......	Q40c	—	1.3
495	360	Northgate C$1	465	−10	—	—	—
614	455	R.T.Z.	595xd	−3	16.0	1.9	3.8
£136	£106	[illegible]	£123xd	+1	Q9½%	21.4	17.4
290	13	Sabina Inds C$1	380	+10	—	—	—
18½	12½	Southwest Res 10p.	17½	......	—	—	—
600	312	Tara Expln $1	585	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution: this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- Φ Figures or report awaited.
- Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xf ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	61	+1
Bdg'wtr. Est. 50p	260	......
Craig & Rose £1	£12	......
Finlay Pkg. 5p	36	......
Graig Ship. £1	£21	......
Higsons Brew	102	−3
Holt (Jos) 25p	910	......
I.O.M. Stm. £1	100	−2
Pearce (C. H.)	£15	+½
Peel Hldgs.	200	......

IRISH

Exch. 15pc 1983	£100	......
Nat. 9¾% 84/89	£87½	......
Fin 15% 97/02	£97⅝	+⅛
Alliance Gas	103	......
Arnott	135	......
Carroll (P. J.)	107	......
Concrete Prods.	52	......
Helton (Hldgs.)	16	......
Irish Ropes	36	......
Jacob	76	......
T.M.G.	70	......
Unidare	73	......

OPTIONS

3-month Call Rates

Industrials		House of Fraser	17	Utd. Drapery	14
Allied-Lyons	15	I.C.I.	35	Vickers	12
BOC Grp.	20	"Imps"	11	Woolworth Hld.	27
B.S.R.	12	I.C.L.	8½		
Babcock	16	Ladbroke	20	**Property**	
Barclays Bank	35	Legal & Gen.	38	Brit. Land	8½
Beecham	35	Lex Service	30	Cap. Counties	15
Blue Circle	44	Lloyds Bank	45	Land Sec.	30
Boots	22	"Lofs"	3½	MEPC	22
Bowaters	19	London Brick	15	Peachey	16
Brit. Aerospace	20	Lucas Inds.	15	Samuel Props.	10
B.A.T.	65	"Mams"	12	Town & City	3
Brown (J.)	5	Mrks. & Spncr	20		
Burton Ord.	35	Midland Bank	35	**Oils**	
Cadburys	11	N.E.I.	10	Brit. Petroleum	32
Courtaulds	6½	Nat. West. Bank	50	Burmah Oil	18
Debenhams	12	P & O Dfd.	14	Charterhall	5
Distillers	22	Plessey	50	KCA	8
Dunlop	6	Racal Elect.	45	Premier	4
Eagle Star	35	R.H.M.	6	Shell	45
F.N.F.C.	4½	Rank Org. Ord.	17	Tricentrol	19
Gen. Accident	40	Reed Intnl.	28	Ultramar	48
Gen. Electric	22	Sears	9		
Glaxo	90	T.I.	16	**Mines**	
Grand Met.	32	Tesco	14	Charter Cons.	28
G.U.S. 'A'	55	Thorn EMI	50	Cons. Gold	50
Guardian	42	Trusthouse	20	Lonrho	8½
G.K.N.	15	Turner & Newall	4½	Rio T. Zinc	55
Hawker Sidd.	34	Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES
Saturday May 21 1983

MAN IN THE NEWS

Brazil's inflation expert

BY ANDREW WHITLEY

A FORMER classmate of Csrlos Geraldo Langoni tells a revealing story of s lunch with the youthful Brazilian Central Bank Governor soon after he was appointed to the post in January 1980.

Flourishing a crisp new banknote, Langoni turned to a waiter in the restaurant. "Do you know whose name that is on the note?" be asked. The sudden elevation of the 35-year-old academic from economics professor to one of the most influential positions in the Brazilian Government, within six months, had left bim giddy with

Carlos Geraldo Langoni

enthusiasm. "I am enjoying myself so much. You don't know how much I've learnt in the past few weeks," he told an old friend from Rio de Janeiro about the same time.

The friend, one of Brazil's top businessmen, was a little taken aback. Central Bank Governors are meant to have a slightly world-weary air, born of deep knowledge and experience, not to be admitting so candidly that they are learning on the job.

A principal reason why foreign bankers and governments have been prepared up to now to treat the Brazilian debt crisis differently from that of other Latin American countries has been their respect for the intellectual calibre and professionalism of the country's economic team. Langoni's own cool, professional exterior, however, conceals an emotional temperament liable to occasional outbursts. "You have to remember that he is of Southern Italian origin," a close colleague of the Governor once confided.

What is beyond doubt is that he is also highly ambitious, and has been tipped to take over as Finance Minister, provided his mentor, Sr Antonio Delfim Netto, the Planning Minister, stays in power.

The past nine months, since Brazil first discovered to its horror that the foreign loans tap had been turned off to itself as well as to Mexico and Argentina, have been gruelling ones for Carlos Langoni. From the start, the Government decided that it was essential for Brazil to preserve the confidence and good will of its international lenders; to go through the rough waters hand-in-hand with the bankers, so that when the world recovery took place Brazil would still have access to the credit it needs for growth.

Last week's talks in New York and Washington were the latest attempt to keep intact the package of assistance for Brazil concluded in February. As well as any banker, Langoni knows how crucial — and how fragile — the intangible element of confidence is, when trying to keep the leaky Brazilian boat afloat.

There was hardly any arm-twisting to be done by the IMF when its negotiating team arrived in Brasilia last December. Langoni is by training an orthodox monetarist of the Chicago school. Keeping the money supply under control and reducing Government expenditure, especially through the cutting of subsidies, are articles of faith for him.

As director until 1979 of the graduate school at the Getulio Vargas Foundation — the officially backed economic studies institution in Rio — Carlos Langoni had built himself a reputation as an inflation specialist, a useful asset as Central Bank Governor, in a country where inflation has stayed around the 100 per cent mark for the last four years.

By early 1982, it looked as if the demon was finally responding to the conventional treatment being applied. Regrettably for the bank governor even that modest achievement has had to be discarded in recent months.

He has had little time recently for the fun of Ipanema Beach, as his non-stop courtship of the men in the sober pin-striped suits moves from one international setting to another.

WASHINGTON'S ECONOMIC POLICY UNDER PRE-SUMMIT FIRE

U.S. irritated by French criticism

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. administration is becoming increasingly impatient with French criticisms, before the summit meeting next week at Williamsburg, of American economic policies and their effect on the world economy.

President Ronald Reagan of the U.S. is anxious to ensure that the seven-state summit shall end harmoniously, but American officials are adamant that there will be no substantive concessions to complaints by President Francois Mitterrand of France about Washington's policies.

French demands for a major overhaul of the global financial system could be met by a proposal from the other summitteers to launch more studies on various aspects of international economic relationships, like the study on official currency intervention ordered by the Versailles summit last year.

But the U.S. is unlikely to make anything like a clear commitment to convene a major international monetary conference similar to the one held at Bretton Woods in 1944, according to Mr Donald Regan, the U.S. Treasury Secretary.

President Reagan is also likely to reject the notion that world economic recovery is being endangered by the strength of the dollar and the level of U.S. interest rates. According to Mr Regan the administration particularly resents the accusation that, by running a large trade deficit, the U.S. is using other nations' savings to finance its own budget deficit.

On the contrary, the U.S. trade deficit, by increasing demand for other countries' products, will help them to pull out of recession, Mr Regan said in a pre-summit briefing on Thursday night.

The Reagan Administration, he said, could not understand why other countries peristed in criticising its policies, U.S. interest rates having been reduced by 5 percentage points since the last summit and in view of the fact that the U.S. was leading the world out of recession.

"I certainly hope that others are not going to start advising us on how to run our economy, when our economic performance is stronger than that of any other country in the world," he said.

The U.S. would certainly try to get its interest rates down "as much as possible" and there would be a further drop in rates by the end of the year, Mr Regan predicted. The budget deficit would also be reduced eventually.

In the meantime, though, the budget and trade deficits, and the strength of the dollar, were giving other countries the opportunity to increase their exports to the U.S. It would be "stupid" of other countries to ask the U.S. to move back into current account surplus Mr Regan said.

Senate budget agreement defeats Reagan

BY ANATOLE KALETSKY IN WASHINGTON

PRESIDENT Ronald Reagan suffered a serious political defeat yesterday when the Senate finally agreed on a budget resolution which he continues to find unacceptable.

The White House sharply criticised the bipartisan resolution passed narrowly by the Senate, saying the president would veto tax and spending Bills which ran against his own legislative priorities.

The Senate's resolution, passed by a one-vote margin after months of fruitless debate and attempts at compromise between the White House and congressional leaders, thus promises to prolong the budget controversy.

This began early this spring when it became clear the president could no longer command a majority on Capitol Hill for his key economic policies.

The Senate resolution must still be reconciled with the plan adopted this spring by the House of Representatives. It would raise $8.9bn (£5.7bn) of new taxes in the 1984 fiscal year, which begins in October, would hold the rise in military spending to 6 per cent in real terms and would reduce the budget deficit to $184.4bn.

President Reagan had offered the Senate a "final compromise" with almost no tax rises, higher military spending and a somewhat larger deficit. This was backed by the Senate Republican leadership, but failed when repeatedly put to the vote on Thursday night.

Senator Pete Domenici, chairman of the Budget Committee, then decided to switch his vote to the higher-tax alternative proposed by seven moderate Republicans, enabling it to pass by 50 votes to 49.

Senator Barry Goldwater, a supporter of the President, was absent from the late-night sitting. Had he been present the plan would probably not have been adopted.

Because of the exceptionally tight margin, senior Republican leaders said yesterday it was likely President Reagan could still prevent Congress as a whole agreeing on a budget at odds with his own policies.

The House of Representatives' plan, drawn up by the Democratic Party leadership, would raise $30bn in new taxes and cut the growth of defence spending to 4 per cent. A compromise between the two versions is thus likely to be even less acceptable to the White House than the Senate resolution.

Government set to cut agreed profit margins on contracts

BY LYNTON McLAIN

THE GOVERNMENT is set to cut sharply into the built-in profits it allows its defence and other contractors.

Companies such as British Aerospace, involved in the Anglo-German-Italian Tornado combat aircraft, and others working for the Ministry of Defence and the Department of Health and Social Security on medicinal drugs, make an agreed profit under non-competitive contracts of 20 per cent on capital employed.

It seems likely that this margin, which gave Government defence contractors £75m in excess profits in each of the last three years, will at least be halved by the autumn.

The Government spent £3bn with defence contractors on non-competitive contracts last year.

Decisions on the permitted profit margin are to be taken by the Treasury's Review Board for Government Contracts in the light of the current and expected low level of inflation, the Treasury and Ministry of Defence said yesterday in separate statements.

The Treasury said: "The level of profits needs to be reduced as soon as possible to reflect the low rate of inflation and to make them comparable with the rest of manufacturing industry."

Other Government departments, especially the Department of Health and Social Security, are affected. The DHSS has taken a close interest in the review of permitted profit levels for drugs and some capital equipment, the Treasury said.

The plans for cuts in Government-approved profits for equipment companies were first mentioned by the Ministry of Defence following a Commons Public Accounts Committee report.

"These profits do not result from an improvement in the efficiency of the defence industry," the MPs on the all-party committee under the chairmanship of Mr Joel Barnett concluded.

The profit target of 20 per cent on capital employed for all Government contracts that do not go out to tender was set in 1977 by the Review Board, based on comparability studies with manufacturing industry as a whole. The target reviewed every three years, was maintained in 1980, when inflation was at 15 per cent a year.

A second review was to have been completed by last November but a panel of senior ministers, chaired by Mr Leon Brittan, chief secretary to the Treasury, agreed not to seek an adjustment until a study by the Review Board had been completed in the autumn.

This was despite a fall in the inflation rate to below 5 per cent a year. The 20 per cent agreed profit gave defence equipment contractors and others a "real rate of return of about 11 per cent on equity, compared with the 3.7 per cent return intended by the Review Board" when inflation was higher, the Public Accounts Committee said.

This was costing the defence budget up to £75m a year. The report said: "If such a level of profits is argued as being necessary for the health of the defence industry this is, as we have pointed out in previous reports, essentially a matter to be dealt with outside the profit formula and thus with parliamentary authority for a separate and explicit subsidy."

This is not the first time the defence equipment industry has made excess profits from Government contracts.

House of Commons Fifth Report from the Committee of Public Accounts, session 1982-1983: "Meeting Relating to the Ministry of Defence." (HMSO, £7.)

Monopolies inquiry into gaming likely

By Charles Batchelor

THE Monopolies and Mergers Commission is to investigate the proposed £56m take-over bid from Pleasurama, the casino group, for Trident Television in what is expected to become a wide-ranging review of the gaming industry.

Lord Cockfield, the Trade Secretary, announced yesterday that he was referring the bid to the commission in line with the recommendation of the Office of Fair Trading (OFT).

In what is an unusual move the casino interests of Grand Metropolitan, the hotel, brewing and leisure group, will also be considered by the commission. Grand Met is not directly involved in the bid but it has a 30 per cent stake in Pleasurama and is the joint owner of two of its casinos.

A monopolies referral means a bid automatically lapses although Pleasurama had delayed making a formal offer until it heard whether the commission would be called in. The investigation is expected to take six months.

A take-over of Trident by Pleasurama would create Britain's largest casino group, comprising Pleasurama's 17 provincial clubs and Trident's five London clubs. In addition Pleasurama and Grand Met jointly own another two London clubs while Grand Met operates four other London casinos.

Trident's shares fell 7p to 79p yesterday on news of the referral while Pleasurama rose 7p to 302p. Grand Met fell 6p to 334p.

Lord Cockfield is understood to be particularly concerned at the concentration of casino interests in London.

Pleasurama had argued before the OFT that the combined share of the London casino market—in terms of the number of players who visited its own and Trident's casinos—was well below the 25 per cent level which would constitute a monopoly.

Thatcher's staff Continued from Page 1

some time by ministers and by some business organisations, arguing that a single department would simplify contacts between Whitehall and industry and would permit a greater concentration on problems of competitiveness.

The merger advocates including a number of ministers close to Mrs Thatcher, says that the responsibilities for international trade, export promotion and competition policy could be transferred from Trade to a new ministry.

There is some debate about whether Trade's responsibilities for international aviation and shipping would go into the new department or, more likely, to an enlarged Department of Transport. There are, however, problems about what to do about the Department of Trade's consumer protection side.

The idea, floated earlier this year, of a separate Ministry of Telecommunications has so far gained little support in Whitehall. The suggestion was that the information technology side of the Department of Industry, the broadcasting side from the Home Office and the responsibility for the Press in the Department of Trade, would be combined.

In practice, the final shape of any changes will be strongly influenced by how Mrs Thatcher wants to shift her senior ministers, if she wins the election. Predictably, Lord Cockfield, the Trade Secretary, is thought to oppose a merger. While he is admired by the Prime Minister, of whom he is a strong supporter, Lord Cockfield's Cabinet colleagues expect him to be dropped soon after the election if the Tories win.

Continued from Page 1

Owen

Communism were the Labour Party activists—at trade union branch level and in all the major political battles within the Left," he said. "Now no one fights."

"Senior figures in the Labour Party disagree with 10 per cent of the Labour Party manifesto. It may be 10 per cent in words but in terms of importance, substance and content it is over 90 per cent of the manifesto and goes to the root of the nation's security."

The Conservatives, in their election broadcast last night, ignored the Liberals and concentrated on attacking Labour and the SDP, insisting that the latter was, "another version of the Labour Party. "The Alliance, they suggested, was a new version of the Lib-Lab pact between the Liberals and the Callaghan Government.

Most of the Conservative effort yesterday, however, was directed towards extracting maximum advantage from the latest inflation figures.

Continued from Page 1

Inflation

7½ per cent, about three percentage points ahead of the increase in prices. In April, the Tax and Price Index (which measures the rise in pre-tax earnings needed to keep pace with prices) showed an annual rise of 3.5 per cent.

Britain's inflation rate is now lower than the average for the industrialised world (5.7 per cent in March), but still higher than inflation in Japan (2.3 per cent), West Germany (3.5 per cent) and the U.S. (3.6 per cent).

One important contribution to the lower UK inflation rate has been the fall in the price of seasonal foods. In March these were 12.3 per cent lower than prices a year earlier. The price of other foods rose only 3.3 per cent in the period. Housing costs are also slightly lower than a year ago.

Prices of clothing, durable goods and services also showed small rises of 2 to 3 per cent. But nationalised industry prices were 7.5 per cent higher than a year earlier.

Weather

UK TODAY

SHOWERS, cloudy.

England, Wales, Channel Isles, Isle of Man
Cloudy, showers, sunny intervals. Max 14C (57F).

Borders, Edinburgh, Dundee, Aberdeen, Moray Firth, NE and NW Scotland
Cloudy, rain. Max. 12C (54F).

SW Scotland, Glasgow, Central Highlands, Argyll, N. Ireland
Sunny intervals, showers. Max. 14C (57F).

Outlook: Cool, sunny intervals, showers.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	26	79	Luxmbg.	F	19	66
Algiers	S	23	73	Madeira	C	17	63
Amsdm.	S	16	61	Madrid	F	21	70
Athens	F	23	73	Majorca	C	22	72
Bahrain	S	33	91	Malaga	C	21	70
Barclna.	C	19	66	Malta	S	30	86
Beirut	S	24	75	Mchstr.	C	11	52
Belfast	C	11	52	Melbne.	C	13	55
Belgrd.	F	23	73	Mx. C.†			
Berlin	S	24	75	Miami†	F	24	75
Biarritz	R	9	48	Milan	F	23	73
Bmghm.	C	12	54	Montr'l	C	12	54
Blackp'l	R	11	52	Moscow			

		Y'day midday °C	°F			Y'day midday °C	°F
Bombay	F	32	90	Munich	S	19	66
Bordx.	R	11	52	Nairobi	C	25	77
Boulgn.	C	12	54	Naples	S	27	81
Bristol	C	12	54	Nassau		—	—
Brussels	C	14	57	Nwcstl.	C	10	50
Budpst.	S	23	73	N. Delhi	C	20	84
Cairo	S	30	86	N. Yrk†	C	14	57
Cardiff	C	14	57	Nice	C	19	66
Cape T.	F	14	57	Nicosia	S	23	73
Chicg.†	C	13	55	Oporto	R	12	54
Cologne	S	20	68	Oslo	R	10	50
Cpnhgn.	S	15	59	Paris	C	10	50
Corfu	S	27	81	Peking	S	23	73
Dallas	C	17	63	Perth	S	22	72
Dublin	F	12	54	Prague	S	18	64
Dbrvnk.	S	23	73	Rykjvk	S	8	46
Ednbgh.	S	11	52	Rhodes	S	23	73
Faro	F	18	64	Rio J'ro		—	—
Florence	S	26	79	Rome	S	25	77
Frankf't	S	21	70	Salzb'rg	S	21	70
Geneva	R	15	59	S'ciscot	S	15	59
Gibrltr.	S	19	66	Singapr.	F	33	91
Gl'sg'w	F	14	57	S'tiagot		—	—
G'rnsey	F	11	52	Stckhm.	R	11	52
Helsinki	R	18	64	Strasb'g	S	22	72
H. Kong	T	24	75	Sydney	C	17	63
Innsbr'k	S	23	73	Tangier	F	18	64
Invrnes.	R	8	46	Tel Aviv	S	25	77
I.o.Man	C	[illegible]	[illegible]	Tenerife		[illegible]	[illegible]
Istanbul	S	[illegible]	[illegible]	Tokyo		[illegible]	[illegible]
Jersey		[illegible]	[illegible]	Toronto		[illegible]	[illegible]
Jo'burg		[illegible]	[illegible]	Tunis	S	36	97
L. Plms.		[illegible]	[illegible]	Valencia		[illegible]	[illegible]
Lisbon		[illegible]	[illegible]	Venice		[illegible]	[illegible]
Locarno	F	19	66	Vienna		[illegible]	[illegible]
London	R	13	55	Warsaw		[illegible]	[illegible]
L. Ang.†				Zurich	S	[illegible]	[illegible]

C—Cloudy F—Fair R—Rain S—Sunny T—Thunder. † Noon GMT temperatures.

THE LEX COLUMN

Foundationwear for Courtaulds

On the face of it, yesterday's rights issue from Courtaulds looks a repeat performance of last month's cash call by Guest Keen & Nettlefolds. Here is another important British industrial company, scarred by the recession, taking advantage of a liquid and bullish equity market to replenish shareholders' funds which, over the past four years, have been battered by extraordinary debits of over £150m.

Like GKN, Courtaulds needs a heavy issue—in each case a one-for-three—in order to make a significant impact on its balance sheet. It was even drafted Morgan Grenfell, who managed the GKN operation, to help Hill Samuel, its long-standing advisers, rustle up the underwriting.

Yet, having said all that, the two rights issues are as different as axles are from underpants. Whereas GKN had a pressing need to refinance part of its embarrassing burden of debt, Courtaulds' balance sheet is in far sounder shape now than it was five years ago. The purpose of this funding operation is evidently to finance future capital investment both within the group and, more especially, through acquisition.

Courtaulds has shed fixed and working capital consistently through the recession. Since the dramatic dividend cut of 1981, redressed only very marginally by yesterday's increase in the final payment, precious little has leaked out to shareholders either. At the end of March, shareholders' funds of £411m supported loan capital of £252.6m, the bulk of it financed at attractive fixed rates, while net liquid resources totalled no less than £128m.

With a balance sheet as strong as that, Courtaulds can only justify a heavy rights issue if its eyes are focused on one or more acquisition of size. There is no reason to suppose that capital investment within the group will rise much above the recent annual range of £60m to £75m, figures not much higher than the present depreciation charge.

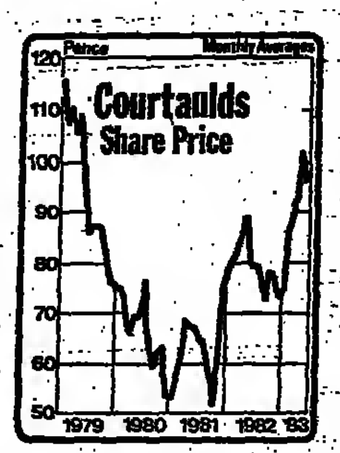
Moreover, while the return on capital employed rose to a respectable 15 per cent in the year to March, Courtaulds' track record is not sufficiently established to provide shareholders with worthwhile reassurance that cash invested in the existing business will provide as good a return as the gilt-edged market. The sketchiness of the report on trading prospects accompanying the rights issue is itself a recognition that trading margins in textiles are influenced as much by factors outside the company's control—most notably exchange rates—as by the action of management. Last year's 24 per cent increase in pre-tax profits to £63.3m had something to do with both.

Finally, Courtaulds is issuing new equity when its existing dividend payments are not fully covered by current cost earnings and the presence of overwhelming UK tax losses makes relief against ACT a distant dream.

So it seems a fair bet that the rights issue proceeds will be applied before long to a large acquisition, probably in the U.S. chemicals industry. All in all, it would have been far more satisfactory if Courtaulds had waited until it had made its move before asking for new cash. The rights issue queue may be congested but the present management has no proven experience of buying large companies (and not all its small acquisitions have turned out so wonderfully). The balance sheet could easily sustain even £100m of additional debt until a suitable funding opportunity arose.

The pound's slide against the dollar and the flickering of a recovery in the U.S. have already increased the sterling cost to Courtaulds of a transatlantic foray, but its determination to reduce the dependence on textiles and on the UK still looks sound. The stock market, meanwhile, has taken Courtaulds to its heart. The shares fell only 7p to 95p yesterday and the issue was comfortably underwritten despite the imminence of the election.

Index fell 3.2 to 695.2



Debenhams

During the last 12 months the Debenhams share price has moved up by almost 80 per cent, but the change has had little to do with its underlying trading performance. Indeed, the sluggishness of the company's progress has been a positive factor in attracting bid speculation after the demise of Woolworth and UDS, Britain's other main High Street laggards. Debenhams may be a very different takeover prospect than either of the other two, but, as yesterday's figures indicate, it is a long way from trading its way out of danger.

Excluding property gains, down last year to a modest £7.4m against £23m, pre-tax profits for the year to January emerged well ahead at £12.2m compared with £4m in the previous year. But these figures include a much larger contribution from the Welbeck Finance credit card company, which virtually doubled its dividend to £8m. Retailing profits proper amounted to only £18.4m at the trading level, a margin of a mere 3 per cent on sales. And the cost of carrying and developing some surplus properties has been conveniently shunted aside by an £8m sale to an off-balance sheet investment largely financed by debt.

Even so, the figures represent progress of a kind from the previous year, when Debenhams sacrificed margins in pursuit of volume. A policy reversal led to heavy cuts in promotional expenditure, while overhead costs were held steady by shedding around 600 employees. The effect showed up in a 2.5 per cent volume decline in the main stores, but an upturn on profitability as margins rose from a little over 2 per cent in the previous year. This recovery was helped by the sale of the unprofitable Lotus shoes shop chain, while the U.S. interests also had a better year.

Helped by the present buoyancy in the High Street, Debenhams has pushed up volumes marginally in the current year, but the real retailing test comes in the latter half, when its performance will be measured against a much stronger period. Meanwhile, the practice of funding part of its comparatively modest store development programme from property sales, forced on it by the poor retailing, may have left it a less juicy victim for a predator. At 133p last night, the shares are standing at around the sort of discount to net asset values (240p) that has been acceptable in recent take-overs.

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